



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 105<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 143

WASHINGTON, THURSDAY, FEBRUARY 6, 1997

No. 14

## Senate

The Senate met at 11 a.m., and was called to order by the Honorable WILLIAM H. FRIST, a Senator from the State of Tennessee.

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, nothing is impossible for You. You have all power. Nothing happens without Your knowledge and Your permission. You will what is best for us as individuals and as a nation. You desire to bless us with the wisdom and discernment we need to solve our problems. And yet, we have learned that You wait for us to ask for Your help. By Your providence You have placed the Senators in positions of great authority not because of their human adequacy, but because they are willing to be available to You, attentive to You, and accountable to You. Together, with one mind and heart, we intercede for one another across party lines and ideological differences. We know that if we trust You, You will be on time and in time to help us in the crucial discussions and decisions. Give us the courage to put the need of the Nation first above political advantages. You have promised that if we pray with complete trust in You, You will intervene to answer our prayers. In the name of Him who is the way, the truth, and the life. Amen.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, February 6, 1997.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable WILLIAM H. FRIST, a Senator from the State of Tennessee, to perform the duties of the Chair.

STROM THURMOND,  
President pro tempore.

### RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

### SCHEDULE

Mr. LOTT. Mr. President, today the Senate will be in a period of morning business until 12 noon. At 12 o'clock, the Senate will resume consideration of Senate Joint Resolution 1, the constitutional amendment requiring a balanced budget. I understand an amendment will be offered this morning or in the early afternoon to that amendment, by a Member of the other side of the aisle. I do not have the details of that amendment at this time, but I hope that we may debate it and dispose of it in a reasonable timeframe early this afternoon.

Also, as a reminder, a consent agreement was reached today which limits debate to 30 minutes equally divided on the nomination of Rodney Slater to be Secretary of Transportation. It is possible we may proceed to that nomination this afternoon, and all Senators will be notified accordingly if we schedule that vote. We hope that will be done and I intend to do so, but I am still working at getting final clearance.

I remind my colleagues the Senate will be in recess today from 3 o'clock to 4 o'clock to accommodate a conference meeting this afternoon. Once again, Senators may expect votes today on an amendment to Senate Joint Resolution 1, the balanced budget amendment resolution, as well as a possible vote on a nomination.

I thank my colleagues and yield the floor.

### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12 noon with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Alaska [Mr. STEVENS] is recognized to speak for up to 10 minutes.

Mr. STEVENS. I thank the Chair.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 281 and S. 282 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. STEVENS. I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LAUTENBERG addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is recognized for 5 minutes.

Mr. LAUTENBERG. Is 5 minutes the time that is available under morning business?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. LAUTENBERG. Is that the expiration of morning business?

The ACTING PRESIDENT pro tempore. Morning business ends at 12 o'clock.

Mr. LAUTENBERG. May I further ask if the time is already accounted or distributed in such a way?

The ACTING PRESIDENT pro tempore. There are a number of Senators under the previous order who are to be recognized for 10- to 15-minute intervals and they are not in the room. The

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Senator can ask for a longer period of time.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent to extend my remarks for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### THE PRESIDENT'S FISCAL YEAR 1998 BUDGET

Mr. LAUTENBERG. Mr. President, just a few hours ago, President Clinton delivered his 5-year balanced budget to the Congress. For the first time in a long while, no one was singing a funeral dirge on budget day. The budget is alive and it is well and already has a sense of momentum and history to it. This is a budget that reflects mainstream America. It does not favor one special group at the expense of another. It does not pit generation against generation or rich against poor.

The President's budget reflects the hopes and the desires of all of our citizens, whether it is one of our seniors on a fixed income worried about health care or a family concerned about the quality of education of their children or citizens fighting the pollution in the neighborhood in which they live. The budget moves ahead toward the future without leaving anyone behind.

As the senior Democrat on the Budget Committee, I say to my colleagues on both sides of the aisle this is a credible budget. Do not just knock it. Look at it and see if you want to recommend adjustments or amendments to it. It will reach balance by the year 2002. There are safeguards built into this budget to ensure that promise.

President Clinton deserves a lot of credit for presenting a real balanced budget that builds upon the deficit reduction of his first administration. Since the President first took office, that deficit has been reduced consistently and dramatically to last year's low of \$107 billion. I can remember when President Clinton took office that no one dreamed, no one thought it possible that we could have a budget deficit at that low level. It is now the lowest deficit as a percentage of GDP of any major industrialized country. There are no dark clouds on the horizon. The economy continues to grow and surpass most expectations. The Federal Reserve Board Chairman, Dr. Alan Greenspan, recently testified before the Senate Budget Committee: "The economy has retained considerable vigor, with few signs of the imbalances and inflationary tensions that have disrupted past expansions." And last week we had more good news. The GDP grew at a 4.7 percent rate in the fourth quarter of 1996.

The President has presented a forward-looking budget that not only demonstrates fiscal stewardship but is oriented toward the 21st century and its challenges and opportunities, what America needs to regain its full-time

leadership across the face of the globe. It looks forward to the future but does not leave anyone behind.

This budget protects Medicare. For example, rather than trying to impose radical and untested structural changes to Medicare, the President's budget ensures solvency through the year 2006 while at the same time crafting pilot and demonstration projects that will expand health choices for seniors without jeopardizing the quality of care.

This budget also makes critical investments in education, transportation, environmental cleanup, investments that are necessary if we are going to have long-term economic growth and an improved standard of living.

We must make sure, however, that any new caps on discretionary spending will allow these investments to continue, because if we do not, we will be forced to make deep cuts during this 5-year period in programs like computers in schools, highway modernization, safe drinking water grants, and community policing.

I hope, too, that as this budget evolves, we will take a closer look at cutting special-interest tax breaks and subsidies to help offset the costs of making sound investments. The President has proposed about \$34 billion of savings in this area, and we should consider this number only a beginning. Since we will spend over \$2.8 trillion for tax breaks over the next 5 years, I think we can identify even greater savings in this area. The President's budget also includes \$98 billion of tax relief for middle-class Americans, and it is targeted toward child care, college tuition, and buying and owning a home.

Mr. President, this budget is an excellent starting point, and I believe the Budget Committee markup is the appropriate venue for Republicans and Democrats alike to resolve their differences. The American people deserve to know and everybody within the sound of my voice deserves to know the changes that the Republicans would like to make to the President's budget. If they think they can do better, OK. Look at it and try to make some decision. But they have an obligation to the American people to show "how," "where," and "when" and not simply carp.

Mr. President, Senate Majority Leader LOTT has called for the so-called regular order to produce a budget through the normal legislative process. I second that call. Regular order would be for the Budget Committee to conclude its hearings in a timely manner and then write a budget in early to mid March. At that point, either the Republicans would use the President's budget, or Chairman DOMENICI will have a chance to put down a budget of his own. Congress would then stand a chance of meeting the April 15 statutory deadline for producing a budget and the bipartisan goal of a balanced budget.

Mr. President, as we move toward the balanced budget, we must also remem-

ber that we are Senators, not simply accountants. We have to look at any budget proposal and evaluate its impact on the American people, their lives and the economy. A budget—as the distinguished occupant of the chair knows from his professional background as a physician tending to people's needs—a budget is far more than numbers. A budget is programs like Medicare, Medicaid, educational opportunity, cleaner environment. A budget has to be a reflection of the American people, their needs, their dreams, their hopes. That is what this budget, frankly, is. I hope we will get to work quickly on a review of the budget if any changes are going to be recommended.

As I said earlier, let's hear them. But I am encouraged by what I have heard to this point—not just those who want to hang a black drape and say it doesn't work, it won't go, it can't go, it shouldn't go, but rather a more reasoned approach, I think. We all know that we are on different sides of the aisle in terms of the parties, but I am talking about a more reasoned approach that says maybe this budget is one that we can work from, or work to, and we can get ourselves a budget that reflects the interests of both of our parties, our country, and our people.

It is time for a reasoned discussion. It is time for a deliberate discussion for a serious review. And I am optimistic about the possibilities of being able to say to the American people that we did just what they wanted us to do. We got over the bipartisan squabbling. We are not fighting anymore. What we are trying to do is to do what our constituents sent us here to do, and that is solve the problems, folks, don't just argue about them.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GREGG. Mr. President, can I ask what the present proceedings are before the Senate?

The ACTING PRESIDENT pro tempore. The Senate is currently in morning business, and Senators are to be recognized for up to 5 minutes. Several Senators, under a previous order, will be recognized for up to 10 or 15 minutes.

#### THE PRESIDENT'S BUDGET PROPOSAL

Mr. GREGG. Mr. President, I want to speak briefly this morning about the status of the President's budget. Obviously, this is always a very significant event when the President presents a budget. This year, I think the climate

and the substance of the budget is significantly different than what has occurred in past years. There is a commitment by this Congress to get to a balanced budget by the year 2002.

A year ago, we sent a budget that would have accomplished that to the President, and he, regrettably, vetoed it. Now the President has come forward and accepted this challenge and said that he also believes that we should get to a balanced budget by the year 2002. He sent up to us a proposal to accomplish that. His budget, as proposed, has many constructive functions in it. It also has many questions. Regrettably, it has a lot that is left undone and unaddressed.

On the constructive side, he does get to a balanced budget—at least as he claims—using his numbers. Unfortunately, the questions that are raised by the way in which he gets there are significant. For example, next year, the deficit will go up and the following year the deficit will go up, under his budget. Even in the following year, the deficit goes up under his budget. It is not really until he is about to leave office that he alleges or represents he is going to put in place programs which would bring the deficit down. That, to me, is not what I would call a good glidepath to a balanced budget. The glidepath should be a downhill glidepath, not a roller-coaster graph.

The President proposes about \$258 billion of not cuts, but attempts to slow spending over the next few years. Of this, it appears that about \$80 billion comes from defense, about \$58 billion comes from domestic discretionary programs, and about \$21 billion comes from entitlement issues. Those are good, solid numbers—well, not necessarily solid numbers, but good starting numbers, and we will see whether they are solid numbers.

At the same time he is proposing \$121 billion in savings over the next few years in the rate of growth of entitlements, he is also proposing \$60 billion of new spending on entitlement programs, such as new Medicare benefits, Medicaid benefits, food stamp and SSI benefits, new health insurance benefits. And under his education initiative is a brand new entitlement program for school instruction, allegedly, and a brand new entitlement program for school literacy—\$60 billion in new spending, which gives you basically a net in the entitlement areas over 5 years of \$60 billion in reduction, which is not a very significant number. That is about \$10 billion a year on entitlement spending which annually represents almost 55 percent of the Federal budget and is closing in on \$700 billion. So it is not a big number. In fact, it is not a strong enough number in order to get to a solid balanced budget because what happens is that, even if we get to the balanced budget, even if we accept the figures which the President has proposed in his budget as getting to the balanced budget in the year 2002, we see those deficits exploding

after that period. Why is that? Because there is no fundamental proposal for structural reform of the major entitlement programs in the President's budget. That is where I believe this budget is inappropriate. There has to be fundamental reform if we are going to honestly address this issue, if we are not going to simply pass it off onto the next administration, as would occur in this case, or the next Congress as might occur in our case, or, unfortunately, the next generation, which is exactly what we are doing as a Congress and a Presidency if we pursue a tentative course in addressing the entitlement reform.

In the area of entitlement reform, there is in the President's budget no initiative to try to put in balance for any extended period of time the Medicare trust fund, part A, or the Medicare system. The President of the Senate today has been one of the leaders on the issue of how you can reform Medicare in a substantive way so we can have a strong insurance system for our seniors.

I have also put together something called Medicare Choice, or Choice Care, which would be a substantive structural reform which would use the marketplace to try to create an incentive for efficiency in the Medicare system which would give seniors choices, much as we have as Members of Congress, to go into the marketplace and choose a variety of different health care programs, the type of structural reform which myself and the Senator from Tennessee, who is in the chair today, have talked about, are trying to energize and for which we have a lot of support, by the way, here in Congress. It is nowhere to be found in the President's proposal, nor is there any other structural reform which would address the underlying Medicare concerns to be found in his proposal; just a variety of traditional provider payment slowdowns and possibly an accounting mechanism that would significantly adjust the way we pay for home health care. Neither is there a long-term solution, but one which is a totally inappropriate accounting gimmick. There is no long-term solution as to how we make Medicare solvent. So the proposal does not address Medicare reform.

The proposal also does not address the reform of our tax laws, which it should. It calls for a \$98 billion cut in taxes. It also calls for an increase in taxes of about \$76 billion. So essentially there is no tax cut in this package. More importantly, there is no attempt to address the underlying problem which our tax laws have. We just saw where the IRS spent \$4 billion to put in place a computer system to try to make the tax system work in this country, and it appears it can't even figure out who is filing what returns when and how much they are owed. After spending \$4 billion, the IRS has openly admitted that it has failed; \$4 billion down the drain. Why is that? Is

it because they cannot produce such a computer system? In large part, yes. More significantly, it is because our tax laws are so complex and convoluted that they are simply unenforceable and ineffective, and is not a way that we should be raising revenues for the citizenry. The IRS has become a totally overbearing and, in many instances, inept organization which the American people no longer have confidence in. That undermines constitutional government when your tax-raising organizations lose the confidence of the people.

So there should be a proposal, or at least a discussion of or an initiative for how you reform the tax laws, how we take this great, huge, byzantine morass called the IRS and bring it into the 21st century and simply make it understandable and give the American people an opportunity to file a tax return on a postcard, pay taxes, and know that they are being accounted for correctly and recognize that we need more efficiency.

So there is no proposal in here for fundamental tax reform, and there should be. The President has missed an opportunity. It is basically a budget which is based on optimistic economic assumptions, has in it new entitlement proposals for spending, and has a very low net tax cut, none of which really accomplishes the basic goals of the balanced budget. If we are going to balance the budget, we have to fundamentally reform the underlying drivers of our budget problem, which is the entitlement system and our tax laws. Yet, that is not addressed in this budget proposal. It is, however, a starting point.

We as a Senate, and I as a member of the Budget Committee, intend to take it as such and to work with the President to try to put in place something that should not only lead us to a balanced budget in the year 2002 but will give us an opportunity at least to see some light at the end of the tunnel for a long-term resolution of the major underlying public policy questions which we have in this country—Medicare, Social Security, and our tax laws.

So I appreciate the time, Mr. President, of the body. I yield back my time at this point.

#### THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, February 5, the Federal debt stood at \$5,302,957,481,388.92.

One year ago, February 5, 1996, the Federal debt stood at \$4,987,401,000,000.

Five years ago, February 5, 1992, the Federal debt stood at \$3,800,008,000,000.

Ten years ago, February 5, 1987, the Federal debt stood at \$2,233,219,000,000.

Fifteen years ago, February 5, 1982, the Federal debt stood at \$1,030,621,000,000 which reflects a debt increase of more than \$4 trillion, \$4,272,336,481,388.92, during the past 15 years.

# PUBLIC CONCERN ABOUT OUR HEALTH CARE SYSTEM

Mr. DASCHLE. Mr. President, over 2 years after the defeat of health reform in Congress, many opponents of change still claim that Americans are satisfied with their health care and view Federal oversight as the first step in a Government takeover of the system. They assert that minor tinkering may be needed to shore up some of the system's weak spots, but access to and quality of care in our country are the best in the world.

If the public thinks the system isn't broken, so the thinking goes, there is no reason for lawmakers to try to fix it.

But are Americans so happy with the current state of health affairs?

Evidence from a recent survey suggests that there is still much that troubles the public about our current system, and they expect their elected representatives to help them address the problems they are experiencing.

People are confused about how the system works; they are anxious about the cost of medical care; and they don't always feel they can obtain information to help them make sound health choices, get care when they need it, and be assured of quality.

And contrary to the widely publicized view that most people think Government should not be involved in health care, a bipartisan majority of Americans feel that the Federal Government can play an active role—working with the private sector—to make health care more affordable and improve its quality.

These are the findings of a poll of American households commissioned by the National Coalition on Health Care. The bipartisan coalition, cochaired by former Presidents Jimmy Carter and Gerald Ford, is the Nation's largest and most broadly representative alliance of large and small business, labor unions, consumer groups, religious groups, and primary care providers.

The National Coalition on Health Care's recent survey reveals a disturbing lack of confidence among the majority of Americans with the state and direction of health care. Eight out of ten agree that "there is something seriously wrong with our health care system." Less than half say they have "confidence in the health care system to take care of [them]."

Not surprisingly, the poll reveals that lower-income Americans are particularly troubled by their experiences with cost, coverage, and treatment. Perhaps more startling is the pervasive concern of middle-income Americans who also see major flaws in the system related to quality, access, and cost.

While a majority feel that their medical plan works for them, 4 in 10 report reductions in coverage. Medicare recipients are among those most satisfied and confident in their care.

Perhaps most disturbing for the Congress is the coalition's focus group's finding that Americans believe improvements in the health care system have been held hostage to partisan pol-

itics. While Americans do not want Government involved directly in their health care, they do believe that Government has a role in protecting their interests.

Americans have voiced their concerns and have asked for Government's help—not in delivering health care, but in giving them greater security about their ability to afford and retain health insurance. We should heed their call.

Last year we passed the Kennedy-Kassebaum bill, which helped workers who lose or switch jobs keep their health insurance. This year, Democrats believe it makes sense to build on that success by giving working families financial assistance to help them insure their children.

These children do not come from the poorest families, for the poor have Medicaid. The vast majority of the 10.5 million uninsured children in America are sons and daughters of working parents who do not have access to affordable coverage through their workplace. Though many of these parents work 40 hours a week, 50 weeks a year, they are still not able to buy health insurance for their children.

Yet we know that a little financial assistance goes a long way toward covering kids and saving health care dollars and precious lives down the line. Numerous studies confirm that uninsured children don't get the cost-effective preventive care they need and end up costing the system more in the long run, through more expensive emergency room visits, hospital admissions, and preventable chronic illnesses.

The Government Accounting Office reports that uninsured children are less likely than those with coverage to get needed health and preventive care, and that the lack of such care can adversely affect children's health status throughout their lives. These children are less likely to have routine doctor visits or have a regular source of medical care, less likely to get care for injuries, see a physician if chronically ill, or get dental care, and they are less likely to be appropriately immunized to prevent childhood illnesses.

Each of us already helps pay for these children through implicit cost shifting for uncompensated care. But we pay too much, and we get far too little. How much better it would be to help families obtain insurance for their children from the start; to provide continuous, cost-effective health care from birth through age 18 so that children can grow up healthy and maximize their potential.

The Children's Health Coverage Act, S. 13, provides tax credits to help working families purchase private coverage for their uninsured children. There are many additional ideas being floated, from both sides of the aisle, to help families obtain coverage for their children. These ideas should be debated, considered, refined, and crafted into bipartisan legislation that can pass the Congress this year.

The American public wants us to act responsibly on their behalf to assure access to quality health care at a fair

cost. Now is the time to act on that charge. There is ample common ground on the issue of extending health coverage to children. Let's prove there is ample will.

## TRIBUTE TO PAMELA CHURCHILL HARRIMAN

Mr. SPECTER. Mr. President, I have sought recognition to pay tribute to a very distinguished citizen of the world, Pamela Churchill Harriman, whose untimely death occurred yesterday in Paris, France, while she was performing her very distinguished duties as United States Ambassador to France.

Ambassador Harriman had an illustrious career. She has graced Europe, she has graced the United States, and has capped an extraordinary life with very distinguished service for the past 4 years as our Ambassador to France, dealing, in fact, with some of the most difficult problems of the world, as we have tensions between the United States and France and the problems of NATO and a great many other issues.

During the past several years, I have had the privilege to come to know Ambassador Harriman personally. I traveled to Paris in connection with my duties as chairman of the Senate Intelligence Committee and found her knowledge, experience, and wisdom in that field to be very extensive and, candidly, it was somewhat of a surprise to find such depth and knowledge and understanding on the complicated matters which involve intelligence.

She truly had an extraordinary life. Married to Randolph Churchill, the son of Prime Minister Winston Churchill, she was privy to some of the really fascinating and great events of the era.

During the course of conversations with her, I was struck to hear her tell of being at Checkers, the home of the Prime Minister, one Sunday evening when the dinner was interrupted by a telephone call from President Franklin Delano Roosevelt. And she told the story about Prime Minister Winston Churchill telling the story of President Roosevelt telling to Churchill the United States was now in it with Great Britain, because the attack on Pearl Harbor had just occurred.

And then her reminiscences about the events during the war. The Churchills had a basement at No. 10 Downing Street for when the air raids came on. They had tiered bunkers. They were not set up in very elaborate fashion. She slept in the lower bunk, pregnant at the time, and Sir Winston Churchill would come in, she recounted, at 2 a.m. and snore loudly, awakening everybody in the compound.

When I heard of the news 2 days ago, I called Charge d'Affaires Donald Bandler to find out what her condition was. She finished an arduous day, was on her way for a swim in the Ritz Hotel and, before going into the water, had suffered a seizure.

I had a chance to talk briefly with her son, Winston Churchill, who said at that point it was apparent that his mother would not survive.

While talking with her about the events of being an ambassador, I was struck with the difficulties that Ambassadors of the United States are having around the world and took some of the information and made a statement on the Senate floor praising the work she was doing, illustrative of ambassadors generally, commenting about the need to support the State Department and the activities which ambassadors were performing.

While there, I had an opportunity to stay in the Benjamin Franklin Room, a room of special significance to this Senator, Franklin being a Philadelphian really, not a Bostonian, and had an opportunity to get some of the memorabilia from the Ben Franklin Institute to send to Ambassador Harriman to furnish the Franklin Room in the style she wanted it to be.

We have lost a really great world citizen with the passing of Ambassador Harriman. There is much more that could be said about her, in terms of her illustrious life. Many Senators knew her; most of Washington knew her. She was a great citizen of Great Britain, she was, in a sense, a citizen of France but, most of all, a great citizen of America.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I had the opportunity at the NATO conference in November, as the ranking member and former chairman of State, Justice, Commerce Appropriations, to spend an entire morning with Ambassador Harriman going over her particular needs, her budget. I was really impressed with the overall view she had of the needs of the Department of State, particularly her grasp of bringing the Department up to date in the area of communications, upgrading its computers, and other technological issues.

I could tell that she understood, after we had some time together, that the lack of real financial support for the Department of State has been at the executive branch, not here in the Congress. I have fought for many, many years to try to get the needed increases for the endeavors of the State Department. And now with the fall of the wall, defense is not our first line of defense. The State Department is.

We are trying to sell capitalism. We are trying to sell democracy and individual rights the world around. And that is the province of our Department of State, which has been cut back. We have been closing consulates and closing embassies.

The record will show that the distinguished Ambassador had really been to the President on these issues, and for the first time President Clinton has made a substantial request for an in-

crease for the Department of State. There will be many kudos, well deserved, for Ambassador Harriman, but I think she was the one who finally got the message to the executive branch as to what was needed at the State Department.

Mr. President, I ask unanimous consent that a Brookings Institute Council on Foreign Relations study recently published on the needs of the State Department and the diplomacy of the U.S. Government be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINANCING AMERICAN LEADERSHIP: PROTECTING AMERICAN INTERESTS AND PROMOTING AMERICAN VALUES

(Statement of the Task Force on Resources for International Affairs of the Brookings Institution and the Council on Foreign Relations)

I. INTRODUCTION AND SUMMARY

Relative to the average of the 1980s, spending on international affairs has fallen nearly 20 percent in real terms, and it would decline by as much as another 30 percent under the plans proposed by the President and the Congress for balancing the federal budget by 2002.

Noting this trend in foreign affairs spending, the Council on Foreign Relations and the Brookings Institution, while taking no positions on the question as organizations, convened an independent Task Force of distinguished private citizens with a strong commitment to foreign affairs to examine its consequences and to make such recommendations as it might see fit.

The Task Force concludes that the cuts already made in the international affairs discretionary account have adversely affected, to a significant degree, the ability of the United States to protect and promote its economic, diplomatic and strategic agendas abroad. Unless this trend is reversed, American vital interests will be jeopardized.

The Task Force calls on the President and the Secretary of State to exert the strong and sustained leadership that will be necessary to secure the understanding of the American people and the bipartisan support of the Congress to provide the funds necessary to finance American global leadership. This effort must be accompanied by a thorough review of the foreign affairs agencies with an eye toward a structure and to processes that will be more efficient and effective in terms of today's requirements.

The Task Force recommends that the President call for an increase in international affairs spending from its 1997 level of \$19 billion to \$21 billion in 1998, with annual adjustments through the year 2002 to offset projected inflation.<sup>1</sup> In addition, this report calls for the creation of a bipartisan commission to consider possible reforms in the State Department and the other foreign affairs agencies and identifies nearly one billion dollars in achievable reforms and economies. The amount of the net increase the Task Force proposes represents only about one-tenth of one percent of the entire FY 1997 federal budget and less than four-tenths of one percent for the total discretionary

budget. Although these amounts are small in absolute terms, the potential consequences of not having them are quite large.

II. THE CHALLENGE AND OPPORTUNITY

With the Cold War over, it is natural that the United States should focus more on domestic concerns. Reducing the federal budget deficit must be a high priority. Ensuring that government programs are efficient and effective is an obligation owed to American taxpayers. However, domestic renewal must not blind us to the world's continuing dangers and the requirements of America's essential leadership role.

The end of the Cold War has transformed the nature of the challenges we face. Ethnic strife, regional instability, crime, narcotics, terrorism, famine, environmental degradation, fanaticism and rogue regimes with mass destruction capabilities have taken the place of the global communist threat on our agenda. The United States cannot effectively protect its interests in these areas and provide leadership for those who would work with us unless we are prepared to spend the amount necessary to protect our interests and promote our values.

Moreover, by strengthening friendly forces and by calming and defusing potentially explosive situations, our diplomats can reduce the demands upon our military forces, avoiding unnecessary troop deployments and saving much more money in the defense account than would be spent from the much smaller foreign affairs account. With such objectives in mind, our diplomatic arm for example, has reinforced in recent years our basic Asia-Pacific alliances with Japan, Korea, Australia, Thailand and the Philippines. In both Asia and Europe, new concepts of regional security and economic cooperation have been advocated, including dialogues among former adversaries. Timely spending for conflict resolution can help to obviate the need for costly disaster relief, refugee resettlement and possible military deployments.

The U.S. economy is increasingly interdependent with the rest of the world—a world that is increasingly competitive. Most recent increases in our nation's manufacturing employment have come from increased export volume which has produced jobs with higher than average wages and helped to drive the continuous growth of our economy. Our ability to sustain that growth depends, in part, on our willingness and ability to employ the traditional instruments of foreign policy to promote exports, protect our products and ensure open trade. These are complex undertakings that include tasks ranging from sustainable development and basic institution building (e.g. establishing commercial codes where none have existed) to multilateral trade negotiations such as in the World Trade Organization. We know how to do these things; we must establish the priorities and be prepared to spend the money to deploy the assets, people and institutions required to achieve them.

Managing today's international, political, economic and security problems and seizing the opportunities before us requires American leadership. Exercising that leadership is difficult. It demands sustained official and public diplomacy, an array of economic and military sticks and carrots, and preventive measures where they can be effective. And it will require money.

Senator Richard Lugar in a recent admonition to the country's policy makers summarized the view of the Task Force: "Too many leaders in both political parties have bowed to political expedience and embraced the fiction that international spending does not benefit Americans and therefore can be cut with impunity. As important as balancing the budget is, it will not happen if American

<sup>1</sup>The corresponding amount of budget authority would be roughly \$22 billion in 1998, due to the fact that increases in actual spending always lag increases in the authorization to spend. The amounts are similar to, but for technical reasons somewhat greater than, spending and budget authority for the "150 (foreign affairs) account."

disengagement from the world results in nuclear terrorism, an international trade war, an international energy crisis, a major regional conflict requiring U.S. intervention, or some other preventable disaster that undermines our security and prosperity."

Americans want the United States to remain a world leader. Polling by the Chicago Council on Foreign Relations reveals that two-thirds of the public wants the United States to remain actively engaged in world affairs. This number is actually higher than during many parts of the 1970s and early 1980s, when we were in the winter of the Cold War. Other poll data strongly support the belief that the public is willing to pay for continued global engagement.

### III. PROJECTED EXPENDITURES

What resources is our government currently devoting to meeting these global challenges and opportunities?

In FY 1997, the United States will spend about \$19 billion for its diplomatic and foreign assistance. That amount is slightly more than one percent of the overall federal budget. It is less in real or inflation-adjusted terms than international discretionary spending in any year since 1979, and nearly 20 percent below the average since then.

International affairs is the only major category of federal spending that has undergone a real reduction since 1980. Along with funding for the Pentagon, international spending is one of only two major components of the federal budget to have been reduced since 1990.

As problematic as spending cuts have been to date, those now planned are much worse. The President's last fiscal plan, of early 1996, anticipated that real funding for international affairs would decline from \$19 billion to \$16.5 billion by 2002. If he agrees—as he may do—to use Congressional Budget Office assumptions, the President would need to cut significantly more. Under the Congressional budget-balancing resolution of April, 1996, international spending would drop to \$13 billion, or 30 percent below its current level and 45 percent below its 1980–1995 average in constant 1997 dollars. That would be less than at any time since 1955.

In contrast with the defense and intelligence budgets, the international affairs account is not at all protected in the deficit-elimination process. In the three year budget agreement concluded between President Bush and the Democratic-led Congress in 1990 (the "Andrews Air Force Base Agreement") the international affairs function as well as the national defense function of the budget were fenced off and protected from diversion to alternative spending. By contrast, at the conclusion of the January, 1996 budget negotiations, there was political agreement to put a floor under the national defense budget, but international affairs was grouped with all other non-defense discretionary expenditures and targeted by OMB for straight-line reductions. Subsequent pleas from the State Department for the protection of foreign affairs within a more expansive "national security" category were to no avail.

### IV. CONSEQUENCES

The State Department and its 260-plus overseas posts constitute the basic and indispensable infrastructure upon which all US civilian—and many military—elements rely to protect and promote American interests around the world. The Task Force found unmistakable evidence that the readiness of this infrastructure has been seriously eroded. Some 30 posts have been closed in the past three years for lack of operating funds. Many of the remaining posts are shabby, unsafe and ill-equipped. All are handicapped by obsolete information technology. Staffing is highly uneven. The Department's cadre of

language and area specialists has been depleted and resources for public diplomacy are fast disappearing. Yet the demands upon our missions continue to grow. Reports circulate that budget cuts may force the Department to close more posts abroad and that the Department is being advised to sell off its assets in order to meet operating expenses. Taken together, these developments contribute to an image of decline and withdrawal which disheartens our friends and allies and undermines our effectiveness abroad, as do the actual cuts out of our diplomatic muscle.

More subtle is the extent to which the Executive's options have been severely limited for lack of readily available, flexible resources with which to avert or respond to foreign crises. Future chief executives, regardless of party, will find this every bit as vexing as has the present incumbent.

In the recent past our government has been forced to choose, sometimes arbitrarily, which situations it will engage in and which it will ignore. Here are some recent examples: To stabilize Haiti, the decision had to be made to reduce economic support for Turkey despite its critical relationship to our Middle East interests; the decision to provide aid to shore up the West Bank and Gaza was made at the expense of funds originally intended to help demobilize the armed forces of the parties to a Central American peace agreement which the United States had spent years negotiating; providing our share of the financing package assembled for Cambodia's first free election required deferring, for more than a year, support for smaller initiatives in a dozen or so other countries; responding to the refugee crisis in Rwanda meant taking funds for democratic institution-building from the rest of Africa at a moment when positive trends were emerging elsewhere on the continent; and when the United States needed \$2 million to monitor a cease-fire between the Kurdish factions in northern Iraq, ready money was not immediately available, the situation deteriorated, and Saddam Hussein was afforded a pretext to send forces into northern Iraq—a move which culminated in US military action costing multiples of the originally needed sum.

US investment in economic development, either through our bilateral programs or international financial institutions (IFIs) like the World Bank, has declined to \$8.5 billion from the \$12 billion average of the earlier 1990's. It is projected to fall every year under both the President's and the Congressional out-year plans. The consequences of not investing in development are impossible to quantify, but the evidence of the benefits that development has brought to over one-half of the world's population is impressive. In the purely human dimension, US bilateral leadership has been critical to recent worldwide advances in agricultural and medical research and basic human needs including primary education, family planning, child nutrition and immunization programs.

Our own political and economic self-interest also benefit from the activities of the IFIs. But as we fall behind in meeting our commitments, we risk losing our ability to shape their agendas in support of our objectives. In the past, this influence has enabled us to mobilize multilateral funding to supplement our own increasingly limited bilateral funds for reconstruction in Bosnia, Haiti, the West Bank/Gaza, to stabilize the Mexican peso, and to reinforce the transitions to democracy in Central Europe and the countries of the former Soviet Union. At home, US exporters expect to feel the effects if our support for the IFIs continues to decline. Nearly one half of US exports go to Asia, Latin America and Africa, where close

to 80 percent of the world's population lives. IFI lending drives critical segments of development which, in turn, determine the future market potential of these countries.

United States' arrearages to the United Nations present a more complicated and troublesome case. An independent Council on Foreign Relations-sponsored Task Force chaired by George Soros recently concluded that where the United States had taken clear and firm positions, the United Nations "has served US interests well." The report noted further that its judgments of the UN's utility "have been shared by both the Bush and Clinton administrations." But the UN will not continue to work for us, particularly after we succeeded in imposing our will on the issue of a new Secretary General, if we are not prepared to meet our financial obligations. Nor will our efforts toward reform of the UN system gain momentum if it appears that the United States is unlikely to settle its arrearages, which now amount to \$300 million for the regular budget and \$700 million for peacekeeping operations.

The damaging implications of the planned, progressive reduction in the international affairs budget are immediately evident upon examination of the limited options for their implementation. The most obvious strategy would be to take most of the cut out of one or the other of its largest components—development assistance and the Israel/Egypt programs. Either would be virtually eliminated if it were targeted. The alternative would be to cut each component proportionately. Under this scenario, the State Department could not avoid closing nearly 100 additional posts and funding for "new global issues"—including crime, corruption, narcotics and the environment—would be at risk.

The magnitude of the cuts proposed through the year 2002 would make it impossible to avoid significant cuts in support for the Middle East peace process and development aid, regardless of the strength and persuasiveness of their advocates within the US political process. Those programs are where the money is, and if total cuts of a cumulative magnitude of nearly 50 percent are made, they simply cannot be spared.

Advocates of sharp reductions in international spending frequently do not spell out how their recommendations should be implemented. They may be prepared to see one activity or another savaged, but would probably find at least one of the above-mentioned consequences of drastic cuts unacceptable.

None of this is meant to imply that there is no room for selective reductions in foreign aid or no need for a tighter focus on administering its distribution. Insufficient funding is by no means the only problem with our foreign affairs programs. However, any changes should be made with a scalpel rather than an ax. The Task Force has identified several specific areas where savings could be made in order to enhance effectiveness and to offset partially the increases it proposes.

### V. RECOMMENDATIONS

To reverse the destructive funding trend of the last few years, the President must take the initiative to ask for adequate funding for international affairs and to work together with the Congress to ensure that our foreign affairs structure is organized to meet today's requirements with maximum efficiency and effectiveness. He must take responsibility for doing what only he can do—explain to the American people why we need to devote resources to promoting our interests abroad. At the same time, he must make clear to the foreign affairs bureaucracy that "business as usual" is unacceptable. All the poll data show that the American people support constructive engagement and recognize the dangers and opportunities abroad. They know

leadership does not come cheaply and they will support the President once he makes clear what is needed and that he is prepared to push for reform.

Next, the Executive and the Congress must reestablish the bipartisan and bicameral cooperation necessary to ensure that adequate funds are provided. Otherwise, American interests will be increasingly at risk in a rapidly changing and turbulent world. To the extent that agreement can be reached between the President and Congress on restructuring the foreign affairs agencies, it would be highly desirable to agree on basic terms in time for any necessary legislative action to be completed during the coming session of Congress.

Specifically, in FY 1998, federal discretionary spending on international affairs should rise to \$21 billion from its 1997 level of \$19 billion, with annual adjustments through the year 2002 to offset inflation. The recommended figure is still well below the average of the 1980–1995 time period but considerably more than current projections.

The Task Force was acutely aware of the continuing budget pressures and searched for ways to cut existing costs. We present these reforms before outlining the increases that are recommended:

Saving in the development assistance account can be realized by dropping the Title I PL 480 food program and through the amalgamation of the Agency for International Development's extensive administrative support operations as discussed below.

Continuing administrative reforms in UN organizations and the international financial organizations should produce savings for the US of \$100 million per year by the year 2002.

Amalgamation and re-engineering of the administrative support services of the foreign affairs agencies need not await the larger structural review recommended and therefore should be initiated immediately. This reform would be a logical follow-on to the newly agreed upon collaborative arrangements for financing overseas administrative support. The foreign affairs agencies should be directed to move without further delay to eliminate overlap and duplication of policy and program functions among themselves, as directed by the Vice President in 1995. These actions should produce savings of \$100 million to \$200 million by the end of the decade.

A mission-by-mission review of all agencies' overseas staffing should be considered as a means of sharpening focus and realigning resources with policy priorities. Such a review could achieve additional savings in accounts other than 150.

We are persuaded that some restructuring of the foreign affairs agencies is needed and that this would produce additional savings—although less than some advocates have suggested. Restructuring the foreign affairs agencies is a task assigned by the Constitution and by practical necessity to both political branches of the government and requires the cooperation of leaders on both ends of Pennsylvania Avenue. We urge the President and Congressional leaders to come together on a mechanism—a bipartisan commission appointed jointly by Congressional leaders and the President is one time-honored method—to develop a solution which all can support and which will improve the formation and implementation of policy.

Disagreement over organization must not be permitted to be the cause or the excuse for failure to reach agreement on the funding increases that will be necessary—whatever structural reforms are agreed upon. The following summaries our recommendations for increases relative to FY 1997 spending levels (all numbers are annual unless otherwise indicated, should be maintained at this level in real terms for the next five years, and are expressed in constant 1997 dollars):

\$600 million should be available in accounts which the President can draw upon to take prompt, concrete actions to fix problems of urgent and particular concern to the United States. Uses would include economic and security support, military education and training, foreign military financing, conflict prevention and resolution, democratic institution-building, non-proliferation, counter-narcotics \* \* \*.

\* \* \* \* \*

#### VI. CONCLUSION

The President has spoken very clearly about the imperatives of global leadership and its price. In Detroit last October he declared: "The burden of American leadership and the importance of it—indeed, the essential character of American leadership—is one of the great lessons of the 20th century. It will be an even more powerful reality in the 21st century."

What remains now is for the President to recognize that without adequate resources it will not be possible to provide the international leadership that our national interests require. There are three aspects to this challenge:

First, the President must include in his 1998 budget request an amount adequate to fund American leadership and he must also reverse the out-year projections which threaten our posture abroad. Second, the President must take the international affairs resource issue to the American people. The President, more than any other individual or institution of our system, bears the responsibility for the success or failure of American foreign policy. Better than anyone else, he can make clear what it means not to have the resources required to protect and promote American values and interests. As Commander-in-Chief, the President can underscore the vital link between diplomacy and deterrence. Secretary of State Warren Christopher described the nature of this connection very clearly when he addressed the Corps of Cadets at West Point last October 25: "We will serve the American people best of all if we can prevent the conflicts and emergencies that call for a military response from ever arising. . . . If we hold that line around the world, we are much less likely to have to send you and the troops you will command into harm's way sometime in the future."

Third, once the President has done these two things he will be in a position to reach out to the leadership of the Congress to establish understanding about international affairs financing. This must be a collaborative, non-partisan undertaking and the President must commit, at the outset, to a review of the structure and coordination of the foreign policy agencies as recommended above. The initial move in this regard must be the President's and it must be accompanied by a clear indication of his willingness to take the resource issue to the American people. He must then be joined by the Congress, which deserves nothing less than a full understanding, a full voice in decisions, and a full measure of responsibility.

The American people do not want to swap a budget deficit for a security deficit. We suspect most Americans would be alarmed if these proposed budget cuts go through only to discover that America faces an influence gap in world affairs as we enter the twenty-first century.

We can afford to do more. We cannot afford to do less.

#### SIGNATORIES

Signatories include members of the Task Force, regional participants who met in Boston and Seattle, and those who have since endorsed this Statement.

David M. Abshire, Center for Strategic and International Studies.

Clark C. Abt, Abt Associates, Inc.

Graham T. Allison, Jr., Harvard University.

Robert J. Art, Brandeis University.

Steven K. Berry, Holland & Knight.

Derek Bok, Harvard University.

Salih Booker, Council on Foreign Relations.

Terrence L. Bracy, Bracy Williams & Company.

Zbigniew Brzezinski, Center for Strategic and International Studies.

John A. Burgess, Hale and Dorr.

George Burrill, Business Alliance for International Economic Development.

Richard R. Burt, International Equity Partners.

John C. Campbell, Senior Fellow, Emeritus, at the Council on Foreign Relations.

Frank C. Carlucci, The Carlyle Group.

Charles E. Cobb, Jr., Pan Am Corporation.

W. Bowman Cutter, Warburg, Pincus.

Patricia Davis, Washington Council on International Trade, Seattle.

Brewster C. Denny, University of Washington.

Mark D.W. Edington, Doedalus.

Mickey Edwards, Harvard University.

Robert F. Ellsworth, Robert Ellsworth & Co., Inc.

Ainslie T. Embree, Columbia University.

Dante B. Fascell, Holland & Knight.

Richard A. Falkenrath, Harvard University.

Richard W. Fisher, Fisher Capital Management.

Bart Friedman, Cahill Gordon & Reindel.

Jeffrey E. Garten, Yale School of Management.

William E. Griffith, Massachusetts Institute of Technology.

Adam R. Grissom, Harvard University.

Peter Grose, Harvard University.

Richard N. Haass, Brookings Institution.

General Alexander M. Haig, Jr. (Ret.), Worldwide Associates, Inc.

Morton H. Halperin, Council on Foreign Relations.

William C. Harrop, Association for Diplomatic Studies and Training.

Alan K. Henrikson, Tufts University.

Jessica Hobart, Center for Science and International Affairs.

Patricia L. Irvin, Cooper, Liebowitz, Royster & Wright.

Paula C. Jacobson, Harvard University.

Kempton B. Jenkins, APCO Associates Inc.

Willard R. Johnson, Massachusetts Institute of Technology.

Max M. Kampelman, Fried, Frank, Harris, Shriver and Jacobson.

Arnold Kanter, Forum for International Policy.

Lawrence J. Korb, The Brookings Institution.

Lane Kirkland, President Emeritus, AFL-CIO.

Carol J. Lancaster, Georgetown University.

Sally Lienthal, Ploughshares Fund.

Franklin A. Lindsay, retired Chairman of Itek Corp. and former Chairman of the National Bureau for Economic Research.

Sarah K. Lischer, Harvard University.

M. Peter McPherson, Michigan State University.

Major General David C. Meade (Ret.), United States Army.

Robert F. Meagher, Fletcher School of Law and Diplomacy, Tufts University.

Robert H. Michel, Hogan & Hartson.

Richard M. Moose, Council on Foreign Relations.

Kenneth P. Morse, MIT Entrepreneurship Center.

Joshua Muravchik, American Enterprise Institute.

Ted M. Natt, The Daily News.  
 David Nemtzw, The Alliance to Save Energy.  
 Richard A. Nenneman, The Christian Science Monitor (Ret.).  
 Augustus Richard Norton, Boston University.  
 Gordon W. Perkin, Path Program for Appropriate Technology in Health.  
 Richard E. Pipes, Harvard University (Ret.).  
 Brent Scowcroft, Forum for International Policy.  
 Sarah B. Sewall, Harvard Law School.  
 John W. Sewell, Overseas Development Council.  
 George P. Schultz, Stanford University.  
 Eugene B. Skolnikoff, Massachusetts Institute of Technology.  
 Stephen J. Solarz, APCO Associates Inc.  
 Theodore C. Sorensen, Paul, Weiss, Rifkind, Wharton & Garrison.  
 Claude A. Soudah, Bank of America NT&SA dba Seafirst Bank—Seattle.  
 Deborah L. Spar, Harvard Business School.  
 Dick Thornburgh, Kirkpatrick & Lockart LLP.  
 Robert J.C. Van Leeuwen, World Affairs Council.  
 Abelardo Lopez Valdez, Squire, Sanders & Dempsey.  
 Cyrus R. Vance, Simpson Thatcher & Bartlett.  
 Paul A. Volcker, Wolfensohn & Co., Inc.  
 Raymond J. Waldmann, The Boeing Company.  
 Louis T. Wells, Harvard Business School.  
 Jennifer Seymour Whitaker, Council on Foreign Relations.  
 John C. Whitehead, AEA Investors Inc.,  
 Eden Y. Woon, Washington State China Relations Council.  
 Dorothy S. Zinberg, Harvard University.

Mr. HOLLINGS. The report is endorsed by former Secretaries of State and those in the know both, in a bipartisan fashion. I thank the Chair.

#### TRIBUTE TO MARK JERSTAD

Mr. DASCHLE. Mr. President, I want to take this opportunity today to honor my dear friend, Reverend Mark Jerstad, a Lutheran pastor and head of the Good Samaritan Society in Sioux Falls. After having spent much of his adult life comforting the dying and grieving, Mark recently learned that he has terminal colon cancer. This news was a sad blow to all those who know and love him. Yet, as we face the loss of our friend, we are inspired by the strength of character shown by Mark and his family.

Mark's ability to help others confront their fears and prepare for their next journey has always been based on his strong faith in God. Now it is this same faith that has enabled Mark to be at peace with his own death. You see, Mark believes himself to be a lucky man. Unlike many, he has the time to say goodbye, and to reflect on the life he has led. As he says, we are nothing but the sum of our deeds. I believe him, and by this measure Mark is truly remarkable for he has lived a life of kindness and love. We cannot help but to grieve for the fact that Mark will no longer be with us. We must grieve for his children Rachel, Michael and Sarah, who will be losing their father.

And we must grieve for Sandy, who will lose her husband of 31 years. But we can be at peace knowing that Mark is living out his remaining days to the fullest. He is at peace, and with his loved ones.

Mark eloquently described the challenge we all face: "Unfortunately, people just can't seem to live life to the fullest until they come face to face with their own death and incorporate it into his or her own existence." Mark has done just that, continuing his work as the chief executive officer of the Good Samaritan Society of Sioux Falls while sharing his remaining precious days with friends and family from throughout the country. He is an example for us all.

Mark, we wish you and your family well. Let your faith, grace and dignity be a lesson to all.

Mr. President, I ask unanimous consent that the text of an article from the Sioux Falls Argus Leader honoring Mark Jerstad be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls (SD) Argus Leader]  
 CEO WHO COUNSELED THE DYING FACES HIS OWN DEATH WITH FAITH

(By Steve Young)

Mark Jerstad sat in an X-ray room at Sioux Valley Hospital in November when cold reality swept over him.

The chief executive officer of the Good Samaritan Society in Sioux Falls had just finished tests for what doctors thought might be an appendix problem.

He was waiting alone for the results to come back when he suddenly felt "like a peeled grape shaking in a snowbank at 40 degrees below zero."

The feeling lasted 30 seconds. When it passed, this Lutheran pastor and business executive knew exactly what was wrong.

"All of a sudden, it came to me. . . almost like a voice," he recalls. "You have cancer, and it is terminal."

He was right.

Jerstad, 54, learned that he has an aggressive, advanced stage of colon cancer. There is no cure. There is only the hope that chemotherapy might prolong his life a month, maybe two.

But this isn't a story about one man dying. Rather, this is a tale about one man's incredible faith—and what it means to live in the shadow of your mortality.

Lean and angular, Jerstad greets visitors in his spacious Good Samaritan office with the same firm handshake that has been his trademark.

Though the chemotherapy leaves him periodically weak, he still routinely comes to work to oversee affairs at the nonprofit monolith that provides services to senior citizens in 240 facilities in 26 states.

This has been Jerstad's job for 7½ years. He has been with Good Samaritan since 1985. Before that, he was campus pastor and a religion professor for nine years at Augustana College. And before that he served as a pastor in International Falls, Minn.

In many ways, those years of ministering to church members and college students helped prepare him for what lay ahead.

In International Falls, Jerstad counseled scores of people and their families through death and grief.

"Honestly, I think I was given a gift of working with dying people," he said. "I

could be honest with them—someone who could be open-minded and listen and hear their fears."

So many times, he sat bedside at the moment of death, helping people in their journey from this existence to the next. It couldn't help but affect his own life.

"How can it not?" Jerstad says. "I mean, I believe we are the sum of our life's experiences. I really feel these very intimate sharings of people as they were dying have touched my life deeply and richly."

"They've helped me be at peace with my own dying, for sure."

Similarly, his years of teaching death and dying classes at Augustana helped prepare him as well.

Jerstad would share his experiences in International Falls with his classes. But his focus was more on living than dying.

"When you think about it, we're all terminal. . . . We're all dead men walking. We just don't know when that final day will be," he said.

"Unfortunately, people just can't seem to live life to the fullest until they come face to face with their own death and incorporate it into his or her own existence."

That isn't a problem for Jerstad. Indeed, there never has been a moment in the last three months when he bolted upright in bed in the middle of the night, sweating in fear about what awaits him.

#### CERTAIN SADNESS

Obviously, there is sadness. He looked forward to becoming a grandfather and baptizing his own grandchildren.

He thought maybe he would get to officiate at the marriages of his two daughters and his son—a possibility that now seems remote.

"You know, I kind of wish it was summer rather than winter," he said as he glanced out his office window. "I like to be able to sit out in my backyard in the afternoons and evenings, just watching the sun go down."

Still, Jerstad won't mire himself in what might have been. He is a man of the moment.

When he was diagnosed with cancer, he had to wait a couple of days before undergoing colon surgery. So Jerstad got a discharge form, signed his name to it and checked himself out of Sioux Valley for the day.

He then drove out to Good Samaritan and attended the morning Bible study there. After sharing news about his cancer with co-workers and staff, he "went home to my kids, built a big fire in the fireplace and just kind of hung out. It really was a wonderful time."

There have been many similar moments since.

He talks about liking to begin each day by snuggling in bed with his wife, Sandy, and sharing a thought or two.

"Sometimes, I reach over and just touch her . . . and thank God for our partnership of 31 years."

He goes into the office most mornings and stays until the work day ends, or until he wear out.

#### GREETING OLD FRIENDS

In recent weeks, he has spent much time greeting old friends who have sought him out during his illness. One of them flew recently from Alaska, another from Hawaii, yet a third came all the way from Johns Hopkins in Baltimore to spend 45 minutes with him.

"There was a tycoon I knew who wept like a child and embraced me," Jerstad said, his smile growing as he recounts the memory. "I was able to comfort him, and we both were able to grow through that experience."

That, he will tell you, is one of the joys about living when you are dying. It certainly makes him thankful that his life did not end suddenly, that he has had weeks and months to prepare.

Undoubtedly, Jerstad thinks a lot about what death will be like. But he doesn't fear it.

"One of the things that fires me up," he said, and his voice breaks as his eyes fill with tears, "is knowing I'll get the chance to meet my dad again. He died a couple of years ago. I loved him dearly."

What a glorious reunion, the son said. Yet until then, this husband and father intends to revel in the support of his family, his friends and his faith—for as long as he has.

"I have to say, I wonder if I have been given a gift," Jerstad said, marveling at his own outlook. "I mean, I'm surely not in denial. If anyone has accepted the reality of their death much sooner than normal, it is I."

#### GIFT OF FAITH

How can that be? How can anyone face death with no resentment, anger or bitterness?

In a phrase, he said with a smile, it is a gift.

"The gift of faith," Mark Jerstad said. "Maybe I'm not angry because I'm so hopeful for the life beyond this life."

"I'll be honest; I know my life is in the hands of the Lord. I can't fantasize anything better than that."

Mr. ALLARD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, morning business is closed.

#### BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate Joint Resolution 1, which the clerk will report.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States to require a balanced budget.

The Senate resumed consideration of the joint resolution.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I thank the Chair.

We are returning to the balanced budget constitutional amendment debate. This is a singularly important debate in our Nation's history. And while I am talking, I am going to constantly refer to just 28 of the unbalanced budgets since 1969—28 of them. We had to find a table strong enough to hold them, and we could not put them on top of each other. As you can see, they are almost as high as I am, stacked in twos and threes. If we put them on top of each other, they would reach almost

to the ceiling. These are our unbalanced budgets over the last 28 years, every last one. And yet every time we get into this debate, our friends on the other side of this issue come in and say, "Oh, let's just have the will to do this. We can do it if we want to, if we just have the will." And we heard the President the other evening talking about all you have to do is pass it and I will sign it.

Give me a break. That is what was said in every one of these instances. And a number of them were listed as balanced budgets during this time. It turned out to be horrendous budgetary deficits rather than balanced budgets. You can just look at this stack—and this is just 28 years. This does not count the other unbalanced budgets for most of the last 60 years. This is just 28 years, these stacks right here.

A lot of good intentions, a lot of people working hard to try to do what is right but never accomplishing it because they did not have the fiscal discipline necessary to get it accomplished. You cannot look at this and listen to these arguments of "Why don't we just do what we should do."

After 28 years—and we are just using the last 28 years like I am saying—after 28 years we have to wake up and say we do need a fiscal mechanism to help Congress to do its job because it has not done its job in the last 37 years and most of the last 60 years.

If we put them all up here, we would not have room. Frankly, we are worried with this stack that we might be violating OSHA rules. If these happen to fall over, somebody's leg could get broken.

We are returning to this debate, and it is an important debate. It is about whether we have reached the turning point in our Nation's history in our fiscal affairs which will change the way we have been doing business. We are hoping that if we pass this amendment, we will profoundly effect a legacy we leave to all future Americans.

We have, as I have said, had piled on this table the failed budgetary history of the last 28 years. These are the unbroken string of unbalanced budgets that we have had since 1969.

As Senator ABRAHAM observed last night, this is about as close to balancing the budget as we have come, balancing these budget documents on this table so they will not fall over. That is about as close as we get to balancing budgets. We are not sure we have it balanced well even that way, so you can imagine how difficult it must be to try to balance them the real way.

We received today yet another budget submission. In this one, President Clinton has promised to point us to balancing our budget by the year 2002. In the coming days and weeks, the Congress will be reviewing this budget submission to determine whether it will be just another failed attempt that we toss on top of this huge pile. Of course, since this budget for fiscal year 1998 will not itself balance, it can be placed

on this stack of unbalanced budgets. But we have yet to see if Congress will be able to work with this budget submission to get us on the path to balance by 2002.

We should all understand that the backdrop to all this is that the Congressional Budget Office has recently painted a less rosy picture of the deficit in the next few years under current policies. Let me just take this chart.

As this chart shows, CBO predicts that the deficit will begin to rise this year and continue rising throughout the foreseeable future. The CBO predicts that the deficit will rise to \$124 billion in fiscal year 1997 and continue to rise to \$188 billion by fiscal year 2002, the year we hope we will have balanced the budget. The deficits just keep rising until 2007, as you can see. Our annual deficit is projected to be, at that time, \$278 billion a year.

Added up, these deficits will add a total of more than 2 trillion additional dollars to the debt from now until the year 2007. That is if we do what the President is going to offer today.

The point is that we cannot yet congratulate ourselves for a job well done. There is work ahead for all of us to do, and there is no assurance of success. Based on the sad history illustrated by these 28 years of budgetary submissions, success has to be considered, by any reasonable person, to be in serious doubt. That is why we need a balanced budget amendment to the Constitution. It has been called an insurance policy that we will get the budget actually balanced in the year 2002 and, more important, that we keep it balanced afterward, instead of doing what it appears will be done up through the year 2007, a continual rising deficit each year, well over hundreds of billions of dollars.

I think the combination of these illustrations of the past and the projections for the future based on our current policy suggest that the past is prologue and should show us that we need a balanced budget amendment.

We have been through debates on this measure before. I would like to outline briefly for those watching these debates what they are likely to hear from the opponents of this amendment based on past debates and the positions outlined to this point in this debate.

First, let me point out this is not a partisan disagreement or debate, and it should not be. That is only fitting and proper for a constitutional debate. You have to have people on both sides supporting a constitutional amendment or there is no way it even has a chance of passing. This is a bipartisan amendment.

Some opponents of a balanced budget amendment will attempt to paint this debate as a battle of parties, of a choice between a Republican amendment or a Democrat amendment or Democrat opposition to the amendment. While I hasten to point out that all 55 Republican Senators, every one of us, are supportive of this balanced

budget amendment, there are numerous Democrats who support it as well and I commend them. Among the original cosponsors are seven Democrats. An additional four Democrat Senators voted for this version of the balanced budget amendment the last time it was considered in Congress, two of whom voted for it in the House and have now joined us in the Senate, and two other new Democrat Senators expressed support for the balanced budget amendment in their Senate campaigns. That number alone will give us sufficient support to send this amendment to the States. Other Democrat Members have supported this text in the past, and I hope they will return. I would certainly be happy to welcome them back. Senate Joint Resolution 1 is a bipartisan undertaking and a bipartisan, bicameral consensus amendment.

The first division of opponents of the balanced budget amendment is between those who say that they are for a balanced budget amendment, just not this one, and those who are against all balanced budget amendments. In effect, the position is the same. Senate Joint Resolution 1 is the product of years of refinement and debate. It is the only balanced budget amendment which has any chance of being adopted by the Congress as a whole.

In past debates, substitute amendments have been offered, not one of which has garnered the support of even a mere majority of the Members of this body, let alone approached the 67 Senate votes required for Senate approval. Any of us might change a word or two if we were writing our own Constitution. We might want the courts to do this or the President to do that, or we might want tax limitation or any number of other changes. But Senate Joint Resolution 1 is the only version that has a chance of passing. So, when someone in this debate says they have a better idea, you will know, in effect, that they are working against passing a balanced budget constitutional amendment.

Second, there will be those who propose changes to the amendment to exempt certain items from the budget-balancing rule. While they will profess that, of course, they are for balancing the budget—we are all for balancing the budget now; I don't know of anybody on this floor who does not say that. They believe that certain items are just too important to be left to congressional prioritizing. Because they are so important, they propose pretending that, for purposes of the Constitution, these items do not exist in the budget of the Federal Government. Of course, these items are items that the Federal Government pays for, but never mind, they are not part of the budget for purposes of balancing the budget.

When it comes to this, I have to say the No. 1 scheme on the part of these people is to exempt Social Security from the balanced budget amendment. We are here to save Social Security.

That is what the balanced budget amendment is all about. The best way to do that is to pass this constitutional amendment. If you take Social Security out from the purview of the balanced budget amendment, the highest item in the Federal budget, that is a risky gimmick that would endanger Social Security's future. So we are very concerned about what is happening here.

Third, we will also hear those who believe that willpower, or another statute, will be the discipline we need. Let me say, again, it has been 28 years, since 1969, since we have balanced the budget. That was the only time we did it since 1960—37 years ago. So, in 37 years we have only balanced the budget once and we have only 28 of those years up here. We could not afford to take the risk of violating OSHA rules by piling this any higher. So, willpower has not worked. We have had no fewer than five major statutory attempts to rein in our borrowing habits since 1978 alone. No statute has worked.

Finally, there are those who would say that a constitutional amendment is unnecessary because Congress and the President both want to balance the budget by 2002, we are moving toward that goal. While it is true that everyone has adopted the goal of balancing the budget by 2002, we have not finished that job yet. June O'Neill, the Director of the Congressional Budget Office, testified last week before the Budget Committee that the good news is pretty much over and the hard work is ahead. As I pointed out, CBO projects that the annual deficit will begin rising again this year from \$107 billion this year, which they act like is nothing, to \$124 billion next year, to \$188 billion in the year 2002, the year we all agree we will have a balanced budget, or we will have to balance the budget.

The lesson, then, is we cannot declare victory and go home because things have recently improved to some extent. The hard work is ahead, and the political pressures that have given us our decades-long debt habit will continue to push us off balance, toward mortgaging the future. Only the permanent counterweight of the Constitution can get us to balance in the short term and keep us in balance for the long term.

Let me conclude simply by saying that I am pushing for this change in our basic charter because I care about the quality of life for all Americans, for those now living, and for those future generations that cannot make their wishes known at this time. I believe that if our colleagues will think about how Washington has worked over the last few decades—just look at it, three decades almost—and the price real Americans pay now, and especially will pay in the future, that they will agree that a vote for the balanced budget amendment is a vote for a better future for all Americans.

We have debated this amendment in Congress for many years. I believe it is

time to let the American people debate it in their State legislatures, but that cannot happen unless we pass it through both Houses of Congress. I believe it is time they will adopt a balanced budget amendment to the Constitution if we give the people a chance. Let the people speak, and let them speak without further delay.

Let me just say one last thing about Social Security, because I think it is one of the phoniest issues I have seen in years. Without a credible sustained balanced budget, we will never have the money to pay our future benefits. It is just that simple. A balanced budget means economic prosperity, producing the revenues necessary to fund the program. With a balanced budget, the big spenders in Washington won't be able to target Social Security to pay for other programs, just as the administration did in 1993.

By the way, in the President's own words, he said this: "Neither the Republicans nor I could produce a balanced budget tomorrow that could pass if Social Security funds cannot be counted."

That was said on January 28, 1997, just a week ago. Neither of us can do it without that.

I think it is important to make it clear that opponents of the balanced budget will throw out any diversion to confuse the issue. They will even use scare tactics. The truth is, excluding Social Security does nothing to secure benefits into the future, and the President's own budget that is submitted today counts those surpluses to set it in balance.

We have set aside most of our time this afternoon for our newest Members of the Senate, our freshman class, to come down and express their views on this.

Mr. LEAHY. Will the Senator yield for a question?

Mr. HATCH. Yes.

Mr. LEAHY. The distinguished chairman is not suggesting, and I realize by parliamentary form he could arrange that to happen, he is not suggesting, is he, that debate would be limited only to those who are in favor of the constitutional amendment?

Mr. HATCH. Of course not. We will go back and forth as we did yesterday; either way, as far as I am concerned.

Mr. LEAHY. I don't object.

Mr. HATCH. For some of these freshmen Senators, it will be their first speech as U.S. Senators. I can't believe that there is anything more fitting than the balanced budget amendment in their very first speech. This is a historic issue, and I think these freshmen Senators will help us understand how truly historic it is.

Mr. LEAHY. Mr. President, will the Senator yield again?

Mr. HATCH. I yield.

Mr. LEAHY. On that point, as the distinguished chairman knows, the new Senator from Nebraska was on the floor yesterday. While he took a different position than mine on this, I

commend him for his efforts and his work on this. While the chairman and I disagree on the need for this amendment, I think we both agree that if somebody is to give their first speech in the Senate, there are few issues that will be of such significance as this.

Anytime one amends the Constitution, something that has been amended only 17 times since the Bill of Rights, that is a significant effort. As I said yesterday, for 200-some-odd years, we have resisted the temptation to amend our Constitution, which is one of the reasons why we are such a powerful democracy and one of the reasons why our Constitution has stood the test of time.

I also note, I think on both sides of the aisle there is strong support to balance the budget, but what I want to remind everybody, as the President said in his State of the Union Address, is all it takes is our vote and his signature to balance the budget without a constitutional amendment. In the last 4 years, the deficit has come down. For the first time since I have been able to vote, the President 4 years in a row brought the deficit down and is now on the fifth time. He deserves a great deal of credit for that.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I honor my colleague. He is a very fine Senator and does a very good job, but give me a break: All it takes is for us to do the job and the President's signature. We have had 28 years of that philosophy. Here it is. Twenty-eight years on balanced budgets and really, in the last 60 years, there have been really very few balanced budgets. This would be three times this size if we put it up for the last 60 years. This ought to give anybody enough pause to say, "Hey, it's time to get this over with. It's time to let people move on from here."

Our efforts to pass the balanced budget amendment predate even my own election to the Senate some 20 years ago. But these new freshmen Senators are absolutely critical and an indispensable factor, it seems to me, in this debate. They came to the Senate last month with new insights and unbounded enthusiasm and energy and determined that some integrity and sanity be restored to the Federal budget process. Their commitment to this process, to our children and our grandchildren is an inspiration to those of us who have dedicated most of our political life to this message. I hope their message is heard around the country.

All freshmen Senators are original cosponsors and they can work in a bipartisan manner with their Democratic counterparts to ensure passage of the amendment this month.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Thank you, Mr. President.

First of all, Mr. President, I would like to recognize the leadership of my colleague, the Senator from Utah, on

the balanced budget amendment to the Constitution.

One of my primary campaign promises when I was running for election to the U.S. Senate was to push for a balanced budget, and I believe that the best way to force us to finally take the courageous steps necessary to balance the budget is to establish a constitutional balanced budget requirement. Statutory balanced budget requirements have proven to be insufficient as Congress has proven its willingness to amend any such requirements.

I must emphasize that the modern congressional movement to establish balanced budget requirements is not a partisan issue. In 1935, the first bill to establish a statutory balanced budget requirement was introduced by Senator Millard Tydings, a Democrat from Maryland. In the following year, Congressman Harold Knutson, a Republican from Minnesota, introduced the first proposal to place a balanced budget requirement in the United States Constitution. In light of the bipartisan history of the balanced budget movement, I urge all of my colleagues to join together in making the balanced budget amendment the first and most important accomplishment of this 105th Congress.

During the 104th Congress, the Federal Government surpassed a milestone that our forefathers would have never thought possible—the debt incurred by the Federal Government surpassed \$5 trillion dollars. This is an astronomical sum of money, and it is something of which we, as policymakers, should be ashamed. We owe it to our children and grandchildren to do better. We owe it to them to pass a constitutional requirement to mandate that the Federal Government balance its budget by 2002.

Most people believe that the issue of balanced budget constitutional amendment is a relatively recent issue. But this issue actually surfaced before the Constitution was ratified by the States.

New York and Rhode Island both included requests that the Federal government be restricted in its ability to borrow money. Gilbert Livingston of New York proposed "that no money be borrowed on the credit of the United States without the assent of two thirds of the senators and representatives present in each house." Admittedly, Mr. Livingston was an anti-Federalist who did not believe in the Union. But he and other anti-Federalists realized that forcing the Federal Government to live within its means would provide an important check on its power. Requiring the Government to go to the people for all of the revenues necessary to run its programs would force it to be accountable to the people.

Indeed, in 1779 when the United States was still governed by the Articles of Confederation, Benjamin Franklin angrily complained of the extravagances of the Federal Government that were afforded by its ability to print money to pay its bills. While the Gov-

ernment was having difficulties raising the funding to carry out the Revolutionary War, it still managed to spend large sums of money to pay for tea and other wasteful items.

The dire financial straits of the Federal Government in the aftermath of the Revolutionary War seem to have minimized the concern that the founders had to constrain the ability of the Federal Government to incur debt. In addition, Framers of the Constitution such as Alexander Hamilton believed that the Federal Government would voluntarily restrain itself, and that the public would provide an adequate check if the Government showed a tendency to get out of line. But it was not long before some in the Federalist Party began to voice their support for a constitutional balanced budget requirement. Thomas Jefferson was concerned with what he considered to be the extravagant spending practices of the administration of John Adams and he felt that the best way to correct this problem was to take away the ability of the Federal Government to incur debt. He wrote to John Taylor on November 26, 1798, "I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its Constitution; I mean an additional article, taking from the Federal Government the power of borrowing." Thus, Jefferson saw a balanced budget requirement as the proper tool to constrain the Federal Government within its proper boundaries and to cure the Government of any wasteful tendencies.

In spite of the concerns of those like Jefferson who felt that the Federal Government needed to be constrained by a constitutional balanced budget requirement, the Federal Government seemed to be able to balance its budget except in times of war and economic downturns until the 1930's. Budget deficits were considered to be abnormalities and Federal officials felt that they had a moral responsibility to their children and grandchildren to balance the budget and even pay down the Federal debt. In his first inaugural address, Andrew Jackson stated, "Some of the Topics which shall engage my earliest attention as intimately connected with the prosperity of our beloved country, are, the liquidation of the national debt, and the introduction and observance of the strictest economy in the disbursements of the government."

Jackson detested debt because of an experience that he had had as a young man in which he was nearly ruined financially as a result of a debt on a parcel of land that he had acquired as a young man. Jackson considered it to be a matter of public honor and morality to retire the national debt. In a speech in 1831, he commented that when the debt was retired, "we shall then exhibit the rare example of a great nation,

abounding in all the means of happiness and security, altogether free from debt." Although the debt had been paid down on a nearly continuous basis after the United States was brought under the Constitution in 1789, Jackson finished paying off the debts incurred by the Nation in the Revolutionary War and the War of 1812 in 1834—and became the first and only administration to ever retire the debt of the Federal Government of the United States.

In 1837, the worst economic downturn in the history of the United States aside from the Great Depression caused the Government to resume running occasional deficits. But Jackson's successors shared his belief in a balanced budget and ran balanced or surplus budgets except in times of war or economic downturn. In 1842, President John Tyler wrote that Americans were a "people rendered illustrious among nations by having paid off its whole debt."

The Republican Party held the White House almost continuously from the outbreak of the Civil War until the beginning of the Great Depression. And although these Presidents managed to continue the trend of balancing the budget or running surpluses except in times of war or economic downturn, these Presidents were not the model of efficient government that we should aim to follow. Prior to the Civil War, the Federal Government spent a record \$74 million. After the Civil War, Federal Government expenditures never dipped below \$244 million and often times was in excess of \$300 million, an increase of more than 400 percent. As the Federal Government increased its spending, it expanded into new areas of influence. Prior to the Civil War, the Federal Government had mainly confined itself to matters relating to the national defense. After the war, however, the Federal Government increasingly took over waterway and transportation improvement projects from the State and local governments. Although the Federal Government only spent a total of \$3.7 million on river improvement and harbor construction between 1850 and 1860, it spent \$53.8 million from 1869 to 1879—an increase of over 1,300 percent.

Not only did the nature of Federal Government expenditures change, the attitude about fiscal responsibility had changed as well. As a favor to their business constituencies, the Republicans were intent upon maintaining exorbitantly high tariffs ranging from the 20 percent Morrill tariff which was enacted to finance the Civil War in 1861 to the Dingley tariff of 1898 and the Smoot-Hawley tariff of 1930, both of which were in excess of 45 percent. As these tariffs represented an enormous tax upon farmers and other consumers, they were very unpopular. The tariffs generated enormous budget surpluses and, as a result, they were hard to justify to the public. Rather than finding ways of returning the money to the people, Congress and the Republican

administrations engaged in unprecedented spending binges on patronage and questionable pork-barrel and log-rolling projects to reduce the budgetary surpluses to politically acceptable levels. At the same time, they proclaimed their support for balanced budgets to the public. Thus, President Benjamin Harrison described unnecessary debt as criminal even though spending increased during his term from \$299 million in 1889 to \$383 million in 1893.

The rules of the Federal budgetary game changed with the New Deal policies developed by President Franklin Delano Roosevelt in the wake of the Great Depression, the worst economic downturn in the history of our Nation. FDR was a well-intentioned man whose primary goal was to end the suffering that he witnessed with any means at his disposal. FDR detested the tendency of economists and others around him to try to think about the long-term implications of his policies, but instead preferred to devise immediate solutions to the problems that the people faced. He established numerous agencies and public works projects to try to pull the Nation out of the depression while continuing to profess a sincere desire to balance the budget. One of FDR's fiscal innovations that has had the most profound impact on our economy was the widespread use of entitlement programs which are defined as programs that make payments to all individuals or companies who are eligible by current law and who apply for the benefits. The most popular entitlement program created during FDR's administration was Social Security. Also created under FDR were the Federal farm assistance programs which I am proud to say we successfully reformed and made more market-oriented during last year's debate on the farm bill.

Most economists agree that the Great Depression ended only with the outbreak of World War II, but the legacy of the Depression era programs has lived on. Several new entitlement programs have since been established, most notably the Medicare and Medicaid health programs which were started as a part of LBJ's Great Society fiscal agenda. Although FDR was not completely convinced by Keynesian economic theories, in the aftermath of FDR's administration, Keynesian economics became an accepted theory in determining fiscal policy. This theory, best expressed by the Employment Act of 1946, stated that the Government would run balanced or surplus budgets in times of economic prosperity, but it would seek to run deficits and stimulate the economy during recessions through increases in discretionary spending projects. This theory encouraged a reluctant President Eisenhower to run a deficit throughout much of his administration stating:

Balancing the budget will always remain a goal of any administration . . . That does not mean to say that you can pick any spe-

cific date and say, "Here, all things must give way before a balanced budget." It is a question of where the importance of a balanced budget comes in; but it must be the aim of any sound money program . . . When it becomes clear that the Government has to step in, as far as I am concerned, the full power of Government, of Government credit, and of everything the Government has will move in to see that there is no widespread unemployment and we never again have a repetition of conditions that so many of you here remember when we had unemployment.

Based on Keynesian economic theories, Eisenhower approved discretionary spending increases in fiscal year 1958 and fiscal year 1959 which resulted in deficits of \$3 and \$13 billion respectively.

This regard for Keynesian economic theories caused administrations to change their views of deficit spending and encouraged the Federal Government to try to micromanage the economy and incur massive deficits in the process. No longer did policymakers consider it such a moral obligation to balance the Federal budget. In the entire postwar period, we have run budgetary surpluses only eight times. It is curious to note that the surpluses in times of economic prosperity in the Keynesian economic theories have almost entirely failed to materialize. The last budgetary surplus occurred in 1969 and the deficits run by the Federal Government have grown increasingly larger reaching a high of nearly \$330 million in fiscal year 1992. Luckily, Keynesian economics has increasingly been ignored in recent years as a usable guide for fiscal policy. It has been realized that the Federal Government does not have enough information at its disposal to accurately predict the onset of a recession. In addition, by the time a stimulus package can get through Congress, economic recovery is often already underway. In cases such as these, precious taxpayer dollars are wasted while the economy may be overstimulated resulting in inflation.

In spite of the recent turn away from Keynesian economic theories, in general the Federal Government's deficits have been growing larger over time, and this trend is only expected to continue. This is due to the rapid growth of entitlement and other mandatory spending. About 55 percent of our spending went to entitlements in fiscal year 1996, and, as projected by the CBO in its January 1997 report on the Economic and Budget Outlook for fiscal years 1998 to 2007, entitlement spending is expected to top \$1 trillion in fiscal year 1999. This increased entitlement spending is expected to be accompanied by enormous deficits. In its January 1997 report, the CBO forecasts the deficit to reach roughly \$280 billion in fiscal year 2007 if discretionary spending is allowed to increase with inflation. This increase in entitlement spending also corresponds to a continued large role for the Federal Government in the economy, equal to 21 percent of GDP during the next decade, of which 14 percent of GDP would be represented by

spending on entitlements by 2002. We simply cannot allow this to happen.

We must establish efficiency and accountability in the Federal Government. Entitlements, which automatically grow without any action on the part of Congress, are causing these tremendous deficits. Although we can reduce the deficit by freezing discretionary spending, entitlement reform that puts these programs on sound economic footing is absolutely necessary in order for us to balance the budget. As the 105th Congress begins, one of the first things that we need to do is to get our fiscal house in order and send to the States a balanced budget requirement. It is a disgrace that in fiscal year 1996, we burdened the hard-working taxpayer with \$241 billion in net interest charges on the national debt. It is even more disgraceful that if we fail to balance the budget, the resulting higher interest rates and lower foreign exchange rate will doom our children to a lower standard of living than they otherwise would have. For our children and our grandchildren, we, the Members of the 105th Congress must be courageous and pass a balanced budget amendment to the U.S. Constitution.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Colorado for making such an impassioned statement on how important this balanced budget amendment is. We are so glad to have you in the Senate. You are making a difference and we appreciate and thank you so much for your good comments. You are speaking for the vast majority of people in this country, 68 percent of whom, according to the latest polls, want this amendment passed. I personally thank you and congratulate you for your speech.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. GORDON SMITH. Mr. President, it is an honor to rise in this Chamber to make my first remarks as a U.S. Senator. I'd like to begin by paying tribute to Senator ORRIN HATCH of Utah for the leadership he has shown on this issue for many sessions of Congress, to help focus us, the American people, upon this important and overriding issue of balancing our Federal budget.

I come to this Chamber, to this service at the Federal level, from the State legislature in Oregon—where I served as a State senator and as the Senate president. It was our highest priority in the State legislature to balance our budget. Indeed, it was our constitutional responsibility to balance the budget. Every session, we would convene in Salem; coming together as Republicans and Democrats, liberals and conservatives, to have an honest debate about how we spent public money, and what taxes, if any, should be raised or reduced, and how best to be good public stewards. I say it was an honest debate because we did not have the recourse of deficit spending—of going to the credit card of our children. I took pride in the kinds of debates we had.

Sometimes they were tough, but always they ended with our budget balanced and Oregon's fiscal house being in order.

Today we come to a decision about whether or not our Government needs to have the same kind of commitment, that constitutional commitment that we have in most States. My colleague, Senator ALLARD, read repeatedly from the words of Thomas Jefferson. I like Jefferson's words in which he counseled us that it should be unthinkable for us to spend the money of the next generation for our consumption in this generation. Indeed, we have done this to a degree, now, that we begin to hamstring our economy and threaten the future in ways that ought to make us ashamed.

During the course of a yearlong campaign, I would go home as often as I could. But always when I did, I was very tired from long hours of campaigning. On one occasion, I sat in my living room and began to fall asleep. My son, who was 6 years old at the time, toddled over to me and tapped me on the wrist. As I was waking up, he asked me the question, "Daddy, can I have your watch when you're dead?"

At that time, and since then, I have laughed at that comment many times because it was a question from an innocent child. I have thought humorously about it since and yet, also, soberly. I would like my sons and daughters, and your sons and daughters, to be able to inherit more than just a watch, to be able to inherit the kind of future and the kind of America that we have had, and the kind which we have an obligation to pass on.

What drives our need for a balanced budget amendment? Pure and simple, it is the growth in spending that is out of control. It is immoral. It ought to be illegal. I would like to use the growth of four programs to demonstrate how, frankly, when coupled with interest on the national debt, we are spending ourselves into oblivion. The four programs are entitlements. They are important programs, and they have done great things for the American people—for the needy and the elderly—to take them out of poverty. Entitlements don't require a vote of Congress each year. And interest on the debt is something we have to pay, again; it is not voted upon.

Thirty years ago, in 1967, the Federal Government's spending on these four programs—Medicare, Medicaid, Social Security, Federal and military pensions, and then interest on the national debt—represented just 25 percent of our budget. Ten years later, in 1977, just these four programs, plus interest, had grown to 41 percent of the budget. In 1987, just these four programs, plus interest, had grown to 50 percent of the budget. In 1997, these four programs, plus interest, have grown to 61 percent of our budget. In 2007, just 10 years from now, they will make up more than two-thirds of our Federal expenditures, if we don't change our spending

habits now. What will be left, then, for schools, roads and bridges, for police and for our national defense? If we don't do something right now, then each year the deficit will grow higher and higher. We must have a mechanism that will ensure that deficit spending will stop. We must have an amendment that will ensure a balanced budget.

I understand, as a former legislator at the State level, how difficult it is to say "no," because whether you are a Republican or a Democrat, you go through the fire and pain of a campaign because you care about people, you want to leave your community better off. Everyone who comes to your door has a legitimate and often heart-rending story to tell. And if you could, you would say "yes" every time. But the problem in this Federal city is that we never say "no" when we ought to say "no" for the betterment of our whole society.

I spoke about these programs, these entitlements that help our Nation's elderly. I believe that to preserve and protect and strengthen Medicare and Social Security, we have to have a debate about the whole problem. Many have talked about how Social Security needs to be protected. I share that concern, and I will always talk about that, and I will vote to protect Social Security. But it is not right to say that this program—in order to protect it—should be taken off budget as part of the balanced budget amendment. Not even our current President believes that and, therefore, when speaking about his administration's deficits, always including the Social Security trust funds.

There are those in the Senate that say that we should exempt Social Security from the balanced budget amendment. I disagree with that. I say that passing the balanced budget amendment, which both Republicans and Democrats have proposed, is the most important thing we can do to protect Social Security and our seniors. If Social Security balances are exempted, additional cuts will have to be made during years of surpluses. For example, in the year 2002, Congress will already have to save, in order to balance the budget, \$188 billion. If those trust funds are exempted, then Congress will have to cut an additional \$104 billion from the budget. Thus, Congress will have to radically cut programs by \$292 billion. Just making the cuts to reach the \$188 billion mark will be difficult. An extra \$104 billion will be incredibly difficult and will, undoubtedly, cut discretionary and mandatory programs, many of which will help America's aged, those 65 and over.

What does a balanced budget mean to Oregon, my State, and to your State, and to America? It guarantees that we will be fiscally responsible. It means that we will restrain the rate of growth of deficit spending by the Federal Government, and that we will increase the rate of growth in the private sector. It means that interest rates will be lower for all Americans. That means lower mortgage payments.

For example, if you have a \$100,000 mortgage payment, on a 30-year basis, a 2 percent drop in the interest rate would result in a \$140 per-month reduction in your mortgage payments. At the same time, it means lower car payments. For a \$15,000, 5-year auto loan at 9 percent, this would represent savings of \$1,200 over the life of the loan. Well, lower interest rates also means lower interest on your credit cards. On a credit card balance of \$1,000, with a rate of 14 percent, it would save you \$20.

That is real money to real people who have real problems in their lives. It means more money in your pocket, as an American citizen, to be saved, if you choose, for things that are important to your family, like buying a home, providing for a child's education, for food, for clothing, all the things that real people need more than Government needs them.

This is a choice about a brighter future for America. I am very pleased that I was able to support a balanced budget amendment to the U.S. Constitution in my first remarks on the floor of the U.S. Senate. It will send a credible message to all of the world and its economic markets. It will mean long-term economic growth. It will give greater control of our foreign-held debt. It will restore integrity to our budget process. Finally, this debate will show American families that they have a choice for a brighter future.

Thank you, Mr. President.

Mr. HATCH. Mr. President, I compliment our distinguished colleague from Oregon. He became the president of the Oregon Senate shortly after he was elected to the Oregon Senate. I think we are very privileged to have him in our body today. He has made his maiden speech, and I can't imagine any subject that would be more meaningful than this one. I am pleased he took the time to make that speech on the balanced budget amendment. It also shows there is a new wave coming through this body. People are now getting serious, after 28 years of unbalanced budgets. This stack represents the 28 unbalanced budgets over the last 28 years. These folks are coming in here saying it is time to change it. You can hardly see me behind this stack. But this has to be changed, and the only way we are going to change it is with a balanced budget amendment. When people come on the floor and just say, "Let's have the will to do it," the only will they need to show is to pass the balanced budget amendment so we will do it. For 28 years—really, for most of the last 60 years, we haven't had the will to do it. I compliment my colleague and thank him for his cogent, good remarks here today.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Texas.

Mr. GRAMM. Mr. President, I rise today to talk about the issue which is before us, the balanced budget amend-

ment to the Constitution. But I don't think today we can talk about this babble about putting the Federal Government on a budget like everybody else, except in the context of the latest edition to this big stack of budgets over here which have failed America and failed the working people of our country and piled hundreds of billions of dollars of debt on generations yet unborn, without looking at the newest installment of this debate; that is, the budget that the President has sent to us this morning.

I want to make it clear, Mr. President, that I am rising to talk about this budget and to criticize it, in some ways in harsh terms. I want to begin by pointing out that I rise to criticize this budget more in disappointment than in anger. I believe with the rhetoric that both parties have been using that it is essential that we work together with the administration. I do not believe we are going to balance the budget based on the efforts of one party, though I think both parties need to do a better job of doing their part.

I am the new chairman of the Medicare Subcommittee. I would like to do something worthy of being remembered by taking major, bold steps towards saving Medicare, and I know we can't do that if we do not work with the President.

So I would like to focus my comments on the President's budget today, and really focus not so much on the deficiencies of this budget and on those aspects of this budget which represent really a political shield that the President has erected to protect himself from having to make hard decisions; I would like to couch my comments about this budget in terms of what is left to be done, and what we have to do if we begin with the President's budget and we decide we are going to go from here to a balanced Federal budget. I would like to talk about that first. Then I would like to talk about where we differ with the President. What is the real issue that we are going to have to decide in writing the budget of the United States of America for this year? Then I would like to sum up.

First of all, let me say that, like most of my colleagues, I was disappointed when our President the night before last told us that we do not need a balanced budget amendment to the Constitution of the United States.

My guess is that at the founding of the Republic, when the Bill of Rights was set out as the immediate follow-on to the Constitution, there were those who said, "Well, we do not need to guarantee freedom of speech. We do not need to guarantee freedom of religion. We do not need to guarantee freedom of assembly. Let us do it ourselves. Let us let the Congress do it. We do not need to guarantee the protection of the rights of the States in those areas where the Federal Government doesn't have specific enumeration in the Constitution. Congress is capable of making those decisions."

Our Founders decided that trust Congress to guarantee freedom of speech, that they couldn't. That logic didn't make any sense. Our Founders decided that they couldn't trust Congress to guarantee freedom of religion. So they put it in the fundamental contract which bypasses Congress, which bypasses the President, and that is the contract between the Government and its people. That is what the Constitution is.

The difference between our position and the President's position is the President is saying after 28 years of failure in a row, after piling now trillions of dollars of debt on generations yet unborn, that we ought to trust Congress; that we ought to trust the President to balance the budget without being required to do it. Obviously, if you look at that big stack of budgets over there on Senator HATCH's desk, for 28 years in a row under Democrat and Republican Presidents, under Democrat and Republican Congresses, we have not done the job. I point out that many of those budgets claim to be in balance. But as I will make clear in my comments about the newest installment, the 29th budget to go on top of 28 budgets that failed to get the job done, if we took this budget on its face and assumed that it was adopted whole by this Congress, it is probably the poorest blueprint among the 28 to get the job done.

In fact, for a President who says we do not need to require a balanced budget, that we can do it, it is very instructive to look at the fine print in the President's budget. In fact, it is not even in the budget document itself. You have to get over into the analytical perspectives to find any word as to how the administration actually is going to ensure that the budget is balanced. In fact, it is the very last paragraph in the section of the President's budget that is entitled "Preview Report." In other words, it is about as hidden as you can make something hidden.

Let me read basically what it says. It says in very small italic print, "Mechanism to ensure balance in the year 2002. The budget includes a mechanism to ensure that the President's plan reaches balance in 2002 under OMB or CBO assumptions."

What is that mechanism? Here is the mechanism. The mechanism is that if things don't work out, the tax cuts that the President has in his budget this year would in the future be taken back. But the tax increases the President has in his budget this year would be forever. The President proposes spending more money now and increasing the deficit now over the last year where we have an actual figure on the deficit, and that is fiscal year 1996. The deficit would rise from \$107 billion in 1996 to \$121 billion in 1998. But what the President says is, let me raise taxes this year. Let me increase spending this year. And then, if we do not balance the budget in 4 years, I want to

take back the tax cuts that we would have given you 4 years from now. And let me spend the money on all of these new programs—which we heard about the other night—but if, in fact, the budget is not balanced, then we are going to have a mechanism to take that money back. Where is the mechanism? We do not know. Nowhere does the President tell us where this mechanism is.

Mr. President, this is no guideline for balancing the budget. This is no program for achieving what the President says he is committed to. What we need more than anything else is to, No. 1, sign a contract with the American people through the Constitution that President Clinton can't change and the Republican Congress can't change committing that we are going to do it. And then, second, we need to buy an insurance policy by setting out a program that makes changes now—not 4 years from now—if we fail to get this job done.

So I think it is very instructive in this debate about a balanced budget amendment to the Constitution that when our President adds the 29th failed budget in a row, nowhere in the budget itself does he talk about how we are going to achieve a balanced budget and an enforcement mechanism. But in one paragraph in Analytical Perspective, he tells us that "most of the President's tax cuts would sunset, and discretionary budget authority and identified entitlement programs would face an across-the-board limit." No one knows what that mechanism really is. But it is very clear what the President intends here, and that is tax now, spend now, and then 4 years from now let somebody else worry about it.

President Clinton is not alone in these failures. We have budgets over there in that stack from Republican Presidents who have done the same. Isn't it time that we stop this process with a balanced budget? I say yes. God willing, we will.

Let me turn to a discussion of the President's budget. It is hard to come up with analogies because accounting, especially when you are dealing with billions of dollars, bores people to death. Quite frankly, most of us do not know what \$1 million is. I have one constituent, Ross Perot, who knows what \$1 billion is. Nobody knows what \$1 trillion is. But let me try to set it in perspective. Let me just run through and talk about a few of the things that the President is proposing in his budget.

No. 1, think of the Government as being overweight and think of what we are trying to do here as going on a 4-year diet. We have been overweight, and we have been claiming to be on a diet for 28 years, but we have a new diet that the President is going to put us on here. Let me start and go through the diet and I am sure at least—well, let me be careful—some of my colleagues have been on diets as I have been. Others probably are so

blessed that they have not, but judge this diet if you needed to lose weight for your happiness or health.

First of all, the President takes the amount of weight we need to lose and, by assuming different things, he says let us assume half of the weight loss is going to occur naturally.

The first thing the President does in his budget is he changes the economic assumptions of the nonpartisan Congressional Budget Office which gave him their outline that we are required by law to follow in our budget. Before he ever wrote his budget, they told him the rules Congress will be bound by in writing our budget.

What the President says in essence is that to achieve a balanced budget we have to have a certain amount of savings. I am going to change assumptions, the President in essence says in his budget, so we assume that half the weight loss is just going to occur naturally. So the President is talking about, if you look at a budget, in this case for a bloated Government which has not been on a real diet in 28 years and shows it, losing half the weight that Congress is bound in writing in our budget to lose—to be able to claim that in fact we have a diet which will achieve our goal, the President assumes half the problem away right off the top.

Second, we heard the other night about the President's tax cut and what it was going to provide, but now that we have the numbers—and I do not think it is unusual. I am not trying to be partisan with regard to the President. But let me just give you the rest of the story. The President the other night talked about a \$98 billion tax cut and all the good things we were going to get.

Now that we get the President's budget, we discover some very startling things. First of all, in the first year, 1997, taxes go up, not down. No. 2, the President has in his only enforcement mechanism a provision that says, 4 years from now, if we do not lose half this weight by assumption and good wishes, he is going to take back the tax cut. So the first year he raises taxes out and out, no doubt about it. Then he is going to give us a tax cut in the future, but he has provisions in the bill that say, if we do not lose half the weight we need on this diet automatically, he is going to take the tax cuts back. The President's tax increases are forever, but the tax cuts are temporary.

Also, the President has all kinds of offsetting receipts and hidden taxes and user fees that let the President claim we are controlling spending when we are not.

For example, the President assumes we are going to sell spectrum, sell the right to use the radio waves of the country, and that we are going to get \$36 billion from that, and that he is going to spend every penny of that \$36 billion. The President has nearly \$47 billion in new fees that he would have

us impose. The President increases nondefense spending. In an era where, the President told us last year, big Government was over, the President proposes in his budget increasing non-defense discretionary spending by \$73 billion.

And with this increase in spending, guess what. Discretionary spending goes up next year, the deficit from the last real number we have in 1996 goes up next year, taxes go up next year. Next year, taxes will be at the highest level in the history of the United States of America. Defense will be at the lowest level as a percentage of the budget since the mid 1930's. And yet the deficit will be rising relative to what we have achieved in fiscal year 1996. Why? Because of new spending. There are 101 other little tricks in the budget, and each of these tricks is aimed basically at having it both ways.

Let me get down to the fundamental choice we are going to have to make. First of all, if we are going to lose this weight, if we are going to balance the budget, we cannot start by assuming that half the problem is going to solve itself. We have to assume that we are going to have to do every bit of it. We are going to have to make the tough choices. And if we really want to do it, we need to be conservative in making choices so that if things do not quite work out, we still get the job done.

We cannot get where we are going by beginning in the wrong direction. If our goal is to spend less, why spend more in the first year, the only year of the budget that is binding? If our objective it is to lower taxes, why raise taxes the first year with a program that will cut taxes in the future—but only if you achieve the deficit reduction targets.

However, there is a more fundamental issue here, and this is one where there is a legitimate difference, and that is we have two competing visions. The President's vision, despite all the rhetoric of a year ago, is a vision of Government providing more benefits and more services to more people. The President gives us a budget where discretionary spending grows by \$73 billion. The President believes, obviously, as reflected in this budget, that Government can spend the money of working families better than they can spend it themselves. The fundamental difference between the President's budget and the vision that most Republicans share is, at its very root, a philosophical issue and a legitimate issue and it is what we ought to be deciding in the budget, and that is what kind of America do we want?

The President wants an America with taxes at the highest level in history, spending at the highest level in history for nondefense programs, spending on defense at the lowest level as a share of the budget in a half century. That is his vision, as reflected in this budget. Our vision is different. Our vision is the vision that we want families to spend more money, whereas the President wants Government to spend

\$73 billion more on nondefense discretionary programs alone. And, look, he wants Government to spend it on good things. He wants Government to spend it on education. He wants Government to spend it on health. He wants Government to spend it on building schools. He wants Government to spend it on all kinds of programs to help people. There is no evil or sinister scheme in what the President wants here. He wants Government to help you with \$73 billion in new spending. The fact that it will mean that social spending will be at the highest level in American history and taxes will be at the highest level in American history, that does not change the fact that the President's intentions are both good, from his point of view, and they are honorable.

But here is the difference. We are not debating how much money is going to be spent on education. We are not debating how much money is going to be spent on nutrition or health. We are debating who is going to do the spending. President Clinton wants the Government to do the spending and we want the family to do the spending. We want to take this \$73 billion of spending increases on all the good things the President wants to spend it on and we want to give that money back to the families who earned it to begin with and we want to let them spend it on education and housing and nutrition. It is fundamentally an issue of whether Government can make better decisions for working families or whether working families can make better decisions.

Let me give an example, the most heartrending part of the President's program, health care for children. Who wants to debate health care for children and be against it? Nobody. The President spoke with great eloquence and passion about it. He said 80 percent of the families that do not have private health insurance pay taxes; 20 percent that do not have it, by and large qualify for Medicaid but have never bothered to fill out the papers, in many cases because when a child gets sick and they go into the hospital, at that point they join Medicaid.

Now, here is the fundamental issue. The President says working moderate-income families are having trouble making ends meet and, as a result, many of them do not have private health insurance for their children. We agree, Mr. President. We are in total agreement.

But the issue is this. Is the solution to create another Government program to help these people? Or is the solution to let these working families keep more of what they earn so they can buy private health insurance for their children? Is the solution more Government? Or is the solution to let families have more freedom about spending their money? Is the solution to spend 73 billion more dollars, as the President has proposed, sitting around the Cabinet table at the White House, sitting around the committee tables here

in Congress? Or is the solution to let working families keep more of what they earn and let them spend the money sitting around their kitchen tables? That is the fundamental issue. It is two different visions for two different Americas.

If you want to go to the analogy about bridges to the 21st century, it is the debate about, not how we are going to get to the century—we are certainly going to get there. I can guarantee you today that, barring a calamity, we will have a 21st century. The debate is not about building a bridge to it, we are going to get there. The debate is what is the century going to be like when we get there. Is it going to be a century dominated by Government? Is it going to be a century where Government is taking care of us? We started out with a Government taking care of the poorest of the poor. Now the Government is taking care of more and more and more Americans. We are going to take care of moderate-income people because they cannot take care of themselves with the confiscatory tax burden that has them paying 15 cents out of every dollar in payroll taxes and often 28 cents of the last dollar they earn, or certainly 15 cents of the last dollar they earn to the Federal Government, and then State and local taxes on top of it. Is the solution, when families are taxed so they cannot meet their fundamental needs, to tax them more and to give them benefits? I don't think so.

I think the solution is to let them keep more of what they earn and let them decide. That is the fundamental issue. That is what we ought to be debating. My appeal to the administration is: Look, let's clear all these other issues off the table. Let's not start out assuming that half of the work to be done is just going to happen miraculously. Let's not tell people we are giving them tax cuts and then take them away 4 years from now, or tell them we are giving them tax cuts when, in fact, in the first year we are raising their taxes even if you believe everything in the President's budget. Let's not say we are going to make tough decisions in the sweet by-and-by, but in the first year have the deficit rising from 1996 and have taxes rising and have spending rising. If we are going to start on this diet, let's not wait until next week and go on a feeding binge this week. Let us start today.

So, let's debate real, permanent tax cuts. Let's debate real decisionmaking. And then let's have the debate that America deserves, and the debate is a simple debate but it is fundamental to the future of our country. Do we have too much Government or too little? Can Government take care of you better than you can take care of yourself? Does Government love your children more than you do? Has Government proven that it can educate your children better than you could, if you got to keep more of what you earn and could invest it in their education? Would you rather have a new health

care program or would you rather have us cut your taxes so you could buy health insurance that you choose for your children? That is a fundamental issue and that is what we ought to be deciding. But we cannot debate those issues when we are not debating apples to apples.

So, my urging today to the President is: Let's go back and rewrite these budgets. Let's assume the same things about where the goalpost is and what we have to do to get to it. And then let's explain to America how we are going to do it, not with a sleight-of-hand, where we are going to come in 4 years from now with an unspecified policy and raise taxes and cut spending but we are not going to tell people how we are going to do it now. Let's put it all out on the table, let the American people look at it, and then let's make a fundamental decision.

Finally, and I have spoken too long, but let me end on a note about cooperation. There is one area where we are going to have to have bipartisan-ship. If all else fails, it is an area where it is absolutely essential that we not let partisanship stop us from acting, and that area is Medicare. I know we talk about gloom and doom and the world coming to an end, and it does not come to an end. And it is not going to end until somebody more powerful by far than we are makes that decision. But Medicare is going broke. It is in the red this year. It will be bankrupt in 4 years. It will have a cumulative deficit of a half a trillion dollars in 10 years. We have a crisis in Medicare that is far beyond the comprehension of most people, as to how big this problem is. If we set out today to fix Medicare permanently, it would cost more money to fix Medicare and guarantee it for our parents and our children than it cost in real dollars to fight and win World War II.

Those are the facts. So the one thing we must do, if we are going to do anything this year worthy of being remembered, is we have to begin to address the problems in Medicare. The President has made a bunch of proposals, and in some form or another, I can support virtually everything the President has proposed. I think, obviously, there are areas, with some debate, where the administration would make some changes, but here is the point. We are going to have to do some fundamental reforms in the system, and we are going to have to do them this year.

In a sense, I will tell you the sky is falling in Medicare by saying if we don't start this year fixing Medicare, within a decade, we are going to be denying benefits to people, within a decade we are going to have a tax rate on the payroll tax that is going to be substantially higher than it is today, and the crisis is going to be greater even than it is now. So this is one area where every person who represents the good interest of the country should work together. I am certainly interested in working with the President.

We need a balanced budget amendment to the Constitution. I plan to speak at some length on this subject later. But I thought it was important to note, when we have stacked up 28 budget failures, Democratic and Republican budget failures that have not gotten the job done, that have failed the American people, that have mortgaged the future of our children, in the current form, the President's budget issued today will fail. It cannot and will not balance the budget, and our goal has to be to work with the President, if we can, to make this budget a real budget that will do the job. I, for one, am willing to work for that goal. I yield the floor.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine.

Ms. SNOWE. Mr. President, I think we all accept the fact that this body faces so many great decisions on such a regular basis that it is sometimes difficult to focus on one vote or one debate that stands apart as a truly monumental decision, a truly monumental vote.

But, let me be clear. I think the Senate is now entering such a debate, and later this month, this body will face such a vote. The stakes could not be higher. With a balanced budget constitutional amendment, this Senate will face perhaps its defining moment as we lay the foundation for our fiscal agenda of our Nation's coming century—as we decide how this Nation will conduct its affairs. Who can doubt that future generations will look upon this debate and this vote with great historical interest as a crossroads in our country's national affairs. Who can doubt, with this vote, these future generations will praise us for bringing America's economic house in order, or they will blame us for simply passing the buck when we could have stopped a mounting national crisis.

Mr. President, as an idea, the concept of a balanced budget is hardly new. Many in this body have rightly championed it for many, many years. Leading economists across our Nation have spoken and written of its value, and many of the Nation's brightest business minds from Wall Street to Main Street have urged its passage. There is no politics in any of these voices. They simply speak the truth: A balanced budget is the first step on the road to long-term prosperity for America.

But perhaps most convincingly, Mr. President, the balanced budget constitutional amendment is not just supported by these impressive voices. It is also championed by a nation of citizens who, for months and years, have been urging this body to take action, to pass the balanced budget constitutional amendment for the sake of our Nation and our children. According to a CBS-New York Times poll conducted January 30 and February 1, an astounding 76 percent of our citizens favor this amendment. From parents who care

about the economic future of their children to teenagers who are worried about their future, the call for a balanced budget has been loud. Some would say it has been deafening.

Yet, the regrettable reality still exists. Unable to pass the balanced budget amendment, our Nation has run staggering deficits year after year that stifle our Nation's economic growth and prosperity, suffocate our future generations, and ultimately eradicate public confidence in our Nation's fiscal management to the point where only 12 percent of the American people, according to a CBS-New York Times poll, think we will balance the budget by the year 2002. Unfortunately, Mr. President, the American people are losing confidence in our willingness and ability to act. They have lost confidence in our ability as a nation to face the challenges as we approach the 21st century.

So let us in this debate consider some of the facts, because facts, as has often been said, are stubborn things. And the facts, when properly considered, point us unequivocally toward the merit of a balanced budget amendment.

First, I want this body to listen carefully to an assessment issued just last May by the Congressional Budget Office. The CBO, as my colleagues well know, is not a partisan voice; it has no real stake in this debate, except to ensure the facts are properly considered. But its assessment of deficit spending could not be more troubling.

According to the CBO report: "The budget deficits projected for future years are so large that they could put an end to the upward trend in living standards that the Nation has long enjoyed. Thus, current U.S. budget policies cannot be sustained without risking substantial economic damage."

Substantial economic damage, that's right, Mr. President, is what we run the risk of bringing to this Nation if we do not act now. The CBO report goes further. Should we fail to bring our deficits to a halt, our economy will enter what CBO calls a period of "accelerating decline."

"Accelerating decline," "substantial economic damage"—in my 18 years in Congress, I have read a lot of CBO reports, a lot of analyses of our Nation's economy, and I can tell you, the warnings and the wordings do not get more dire than these.

I know there are some who may say, "Yes, I, too, support balanced budgets, and I, too, oppose deficits, but a balanced budget amendment, well, that goes too far, that binds us unnecessarily."

Mr. President, let us be clear about two further facts. First, these past three decades have shown that our political culture, the ways of our democratic governance, great as they are, do not always lend themselves well to fiscal prudence. My colleagues will recall that we tried before to reduce our deficits through statutory means. You can see right here that these number of budgets for the last 28 years have

shown that we have failed. Let's look at the history of our efforts.

Next to me, I have two charts. The first documents 33 years of good intentions—5 more years than these unbalanced budgets—statutory efforts that required or promised to balance the budget of our Nation. All the greatest hits from the past are here from the Revenue Act of 1964 through Gramm-Rudman-Hollings of 1987, and more recently was the infamous Budget Act.

But as we can see on this chart, the statutes don't work. Gramm-Rudman-Hollings II; Gramm-Rudman-Hollings I; Recodification of title 31, 1982; Bretton Woods agreement, 1980; debt limit increase, 1979; Byrd amendment; Humphrey-Hawkins Act; Revenue Act of 1978; and Revenue Act of 1964. These are just some of the examples of our statutory efforts in the past.

I might also add, over the years, we have had a number of balanced budget amendments in both the House and the Senate, and I point back to October 1, 1982. The House failed to pass a resolution getting two-thirds, and the Senate adopted a balanced budget constitutional amendment, August 4, 1982. Unfortunately, we didn't pass it in Congress, but as far back as 1982, we debated a balanced budget amendment. Each and every time, when we have had those debates on the amendments, everybody said, "We can do it on our own if we only have the will. We really don't need a constitutional amendment."

Yet, Mr. President, this graph speaks for itself. Statute after statute has been passed by this body, but this deficit has kept right on marching. The lesson, I think, is clear—fail to pass this amendment and we reject perhaps the greatest fiscal lesson of modern times.

This deficit is not going to be halted through statutes. I think this is a good indication with these 28 years of unbalanced budgets. The last time we had a balanced budget is when Neil Armstrong landed on the Moon. The only way we are going to stop deficit spending and reach a balanced budget is through an amendment.

The second chart I have behind me reveals some other important aspects to this entire debate. First, a close examination of our budget history dating back, I might add, to 1905, reveals that deficits have been the norm, not the exception, as we can see. The deficits are in the red bars below the line. And the green—you can barely see it—is above the line, which would represent the years in which we have had surpluses between 1905 and 2005. Some of those are estimates for the projections by CBO for future years. That is last year's estimate. They may be a little bit better than that with this year's estimate. But, nevertheless, it gives a broad indication of the fact that we are going to continue to have major deficits in the future. It also has shown that we have had generally a century of deficits with very few exceptions.

These deficits go back decades. Very rarely we found efforts in which we have been able to have a surplus. So I think that this chart reveals that we have had a century of failure of statutory efforts to balance the budget.

Now, some have said, well, a balanced budget amendment is just a gimmick. As I have said before on the floor, and I will say it again, if this amendment was really a gimmick, we would have passed it long ago because Congress loves gimmicks.

Mr. President, this is no gimmick. This is the first necessary step—a brave, bold and thoughtful step—on the road to fiscal sanity.

The second point, in response to these critics, is that the balanced budget amendment does allow us in the event of some national crisis, disaster or massive economic downturn to run a deficit. With a three-fifths majority we can take the steps necessary to address any existing crisis that threatens our Nation and requires a commitment of our national financial resources above and beyond a balanced budget.

When Members of this body vote yes for a balanced budget amendment, they are not prohibiting our country from ever running a deficit. We are simply making it the rare exception. So, Mr. President, I view this as a most responsible approach to the problem.

I know some may be thinking that certainly we can escape this debate one more time, we can duck the big question one more time, we can conveniently leave this decision to others one more time. Well, again, Mr. President, facts are stubborn things, and they suggest a very different reality.

The deficit of this Nation was \$107 billion last year. Left unchecked, according to CBO, it will double by the year 2004. And by the year 2007, if we fail to act, it is expected to reach a staggering \$278 billion. Put another way, the deficit comprised 2 percent of the GDP in 1995. Should we stand aside and do nothing? According again to statistics from CBO, this deficit will rise to 5 percent of the GDP by the year 2010 and 37 percent by the year 2030. The message of those statistics could not be more blunt: Time is ticking.

In fact, in the year 2025 alone—in that year alone—the deficit will be \$2 trillion. So the deficit, obviously, in future years is going to double and triple.

Let there be any doubt about the ramifications of all this, consider this. If we can prevent these staggering deficits and bring the budget into balance permanently through this constitutional amendment, our Nation will be the big winner. We will experience a 25 percent growth in the GNP per capita by the year 2030, according to CBO—a 25 percent growth per person, Mr. President. That means growth for our Nation's economy. It means jobs. It means higher standards of living. It means a positive difference in people's lives and their futures and their children's futures. These are the things

that this Senate must take very, very seriously.

So to those who say, well, the balanced budget amendment is just a product of deficit hawks, I say, take a close look at these CBO numbers. This is an economic growth initiative. This is about the future. This is about our children and our grandchildren. This is about economic security. It is about providing for a stronger standard of living, not a lower standard of living, because we are incurring debts and deficits to bequeath to the next generation.

What about interest rates? I know this body knows well that growth is intimately linked to the rates of borrowing. That is no secret. Pay higher interest rates for a car, higher interest rates for a house, and you soon find less and less people able or willing to make that purchase. Production goes down, jobs get fewer. That, too, is no secret.

But consider for a moment, Mr. President, the actual impact the amendment can have on our citizens. Look at the projections for lower interest rates if we pass a constitutional amendment to ensure the continuity of balanced budgets into the future, year after year after year, not just the year 2002.

We have had estimates by the Joint Economic Committee that says that we could have a 2 percentage point decline in interest rates by the year 2002 if we have a balanced budget. The DRI-McGraw-Hill projection says that interest rates could drop even further, could drop more than 2.5 percent if we pass this amendment.

That means lower cost to people in terms of their mortgages and car loans and student loans, whatever the case may be in terms of borrowing. And that is real money to the average American family.

It means that Americans who now pay \$570 a month on an \$80,000 mortgage, when that mortgage is paid at an interest rate of 7.7 percent, if we pass the constitutional amendment, this rate would fall to an estimated 5.7 percent, bringing that mortgage payment down to \$464 a month according to the Joint Economic Committee. The result is a \$1,272 mortgage savings per year for this family, all because we have taken the right steps through an amendment.

That again is real money to the average American family who works hard and sees more of their hard-earned dollars being taken in terms of taxes. We have seen the tax burden escalate in this country. It is the highest historically because taxes consume more now than food, shelter and clothing combined.

But also look at what a balanced budget amendment would mean in savings—in excess of \$1,500 to the typical middle-income family, counting their interest savings on all of these loans, on mortgage loans and car loans and student loans, according to the Joint Economic Committee.

Now, Mr. President, President Clinton is talking about building a bridge to the 21st century. That is fine. But, with this vote, we will go far in defining what kind of bridge this will be. This bridge to the 21st century can be solid, constructed on strong beams, capable of moving the American people safely and securely, or it can be a hazardous and rickety bamboo bridge suspended by worn ropes over the chasm of our national deficit.

Pass the balanced budget amendment and we lay the ground for a solid foundation for this bridge into the next century. Pass the buck on the balanced budget amendment and we cross this bamboo bridge literally on borrowed time.

So the decision will be ours. I think we know the right thing to do. We know the danger, indeed, the very threat, to our Nation of ongoing deficits and deficits. We know that we need stronger steps of fiscal self-discipline. I doubt that any Member of this great body, knowing what they know about the dangers of deficits and our historical inability to end them without this amendment and the many benefits of this amendment, can rise in good conscience to defend the status quo.

Now only one question remains, and it is this: Will we have the strength and the courage and the wisdom to implement it? Mr. President, let this Senate answer this vital question without hesitation. For the sake of our Nation and its future, let this answer be yes. Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. Mr. President, I have been very interested in the discussion today about a constitutional amendment to balance the budget. It is a serious subject and one which the Senate should take seriously. We should have a robust, aggressive, provocative and interesting debate on a question of this magnitude.

I have told the Senate before, and I would like to again at the risk of being redundant, that I was privileged to be one of 55 people to go back into the room in Constitution Hall in Philadelphia on the 200th anniversary of the writing of the Constitution. 200 years previous, 55 white men went into the room in Philadelphia Hall, some very great men, and they wrote a Constitution for this country. George Washington's chair is still in that room. You can see where he sat in the front of the room and presided over the Constitutional Convention.

Mr. President, 200 years later 55 people—men and women, people from all ethnic and racial backgrounds—went in and had a celebration in that room.

Coming from a very small town in southwestern North Dakota, I kind of got goose bumps that day because I was sitting in the very room where they wrote the Constitution of the

United States. It was a unique and special privilege for me to be present and to be one of those participants.

Senator BYRD, the distinguished Senator from West Virginia, and I were just visiting moments ago about the U.S. Constitution and he gave me a copy of the Constitution that he carries in his pocket. It is a very small document, one of the most remarkable documents ever written by people who live on this Earth. It is the framework for the most successful democracy in the history of the world.

It is this document, the Constitution of the United States, that we are talking about amending. We are debating whether or not to alter this document. And we are in the midst of a blizzard of rhetoric about a stack of 6 or 8 feet of budget documents spanning some 29 or 30 years.

Well, those budget documents do not read like this:

"We The People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."

You will not find this language in that stack of documents.

This Constitution has a provision in it by which it can be amended. We have some people in politics today who believe that this is an imperfect document. Some, in fact, in the last session of Congress, some proposed three separate amendments in the period of 3 months. Over the years we have had thousands of proposals to change this document. I do not see many people who look like Madison, Mason, Franklin, or Washington walking around making these proposals. I see a lot of other folks making these proposals.

My point is this: When we debate how and whether we should alter the Constitution of the United States, we ought to be mindful of the need to get it right. Be careful. Do not dishonor this great document by making alterations that will in the long run weaken our country.

That brings me to the debate about the current constitutional amendment to balance the budget.

Mr. BYRD. Mr. President, would the distinguished Senator yield at this point without losing his right to the floor?

Mr. DORGAN. I am happy to yield.

Mr. BYRD. The distinguished Senator talked about the language of the Constitution. In reading this amendment, this proposed amendment to the Constitution, I have been struck as I read it by the contrast in this language in the proposed amendment in contrast to the language of the Constitution.

Would the Senator be surprised if I were to say to him that the Constitution of the United States provides for a Congress of two bodies, the Senate and the House of Representatives, provides for the creation of the House of Rep-

resentatives, provides for the establishment of the Senate of the United States, provides for the establishment of the Presidency, provides for the establishment of the Supreme Court of the United States, and provides for the mode by which that Constitution would come into being? Would the Senator be surprised if I were to say to him that the language in the Constitution that does all of these things that I just enumerated constitutes fewer words than are used in this proposed amendment to the Constitution? Would the Senator be surprised at my saying that?

Mr. DORGAN. Well, I am not surprised because I have read those provisions. But I fully understand the point the Senator from West Virginia has made.

Mr. BYRD. This is not Constitution-like language, to start with.

Has the Senator heard any proponent of this amendment come to the Senate floor and explain to the Senate and to the people watching and listening to the debate through the electronic eye, has the Senator heard any proponent come to the floor and, section by section, explain this amendment, how each section would work, why each section is there, what each section means?

I have heard quite a number of Senators come to the floor and talk about the need for balancing the budget. I think we are all in agreement on that and I think there is a consensus here as to a need for balancing the budget at some point, bringing down the deficits, but I have not heard a single Senator—and I have not been able to listen to all of the debate; I tried to listen to as much as possible, but the Senator has heard most of the debate—has the Senator heard any proponent of this amendment come fully explain this amendment, talk about the amendment? Not about the need for balancing the budget, not about the need for getting the deficits down, about which we all agree. I would be greatly enlightened if a Senator would take the time not to talk about something we all agree on, but to talk about how this amendment will balance the budget, how it will eliminate the deficits. Has the Senator heard any proponent do that thus far?

Mr. DORGAN. I say to the Senator I have not. Again, the Senator makes a good point. There is a difference between balancing the budget and amending the Constitution to require that it be done.

Mr. BYRD. I thank the distinguished Senator.

Mr. DORGAN. I appreciate the comments by the Senator from West Virginia.

I will talk just for a moment about this issue of debt. Clearly, the amount of Federal debt that we have is excessive. The deficits that we have experienced in recent years, in the last couple of decades, especially, saddle our children with interest payments that

we do not want to have to have them meet. Clearly, we need to make progress in balancing the budget and finally achieve fiscal stability and have a budget that is balanced. That is clear.

We have a debt problem. That is clear as a bell.

I say to people who come to the floor and talk about this issue, however, it is not just the Federal debt. We have corporate debt that is rising just exactly like the Federal debt is. We have credit card debt that is rising faster. We have consumer debt that is rising just as fast. We have \$21 trillion in debt out there in this country.

In fact, you walk down the street, you walk past a picture window of a business someplace, and you almost hear the invisible tapping on the windowpane behind the bright red letter sign that says to you "Say, consumer, come over here a second. It does not matter you cannot afford this. It does not matter that you do not have money for it. Come and buy this product. Come over here and buy this product. We will give you the product. You take the product home. We will give you a rebate. You do not make a payment for 6 months. Come over here. Credit bad, it does not matter. We will give you credit. Are you in college and have no job? We will give you a credit card. In fact, we will give you four of them, from four different companies. You do not have to have a job and you can be in college and you get a pen pal or a dozen of them, saying "Take our credit card, buy our product. It does not matter that you cannot afford it."

We have a debt problem in this country. It is an addiction and it is a problem in a range of areas in our economy. One area we can do something about is the Federal Government's spending and the Federal Government's fiscal policy. I want to talk about that. In 1993, President Clinton won his election to the Presidency. He came to this Congress and he said the Federal deficit is a problem and he proposed that we do something about it. He proposed a deficit reduction act. It included some tough medicine, some things people did not like, some controversial items, spending cuts, yes, real spending cuts. Some tax increases, yes, very unpopular. We passed it here in the Senate by one vote. I voted for it. Was it the popular thing to do? Of course not. The popular thing to do would have been to have voted against it and go home and crow about having voted in opposition to this proposal. Now, that would have been the political thing to do—go home and crow about your opposition to this proposal. We didn't get one vote from the other side of the aisle, not one, not even by accident. You would think maybe someone on that side would have made a mistake and voted for it. No. We passed it by one vote.

I will read for my colleagues some of the comments during that debate. If you pass this legislation to tackle the deficit in this way, some of my colleagues said, what is going to happen?

"This bill is going to cost America jobs." "It will kill jobs." "It's going to be devastating." "We are buying a one-way ticket to a recession." Another Senator said, "It will turn a fragile recovery into a solid recession." Another said, "It will lead to a recession." All of that was said here on the floor of the Senate. "Do this and you kill this economy."

But we did it, and here is what happened to the Federal budget deficit since then: 4 straight years of reduced deficits; the unified deficit cut in real terms by 60 percent—60 percent.

Now, this isn't the deficit the Republicans use or the President uses because neither one use the right numbers. This is a deficit without the Social Security funds in it, because you ought not be able to misuse those funds. A 60-percent reduction in real terms in the unified deficit.

What happened to the economy? We have seen record numbers of new jobs. The economy continues to grow.

What did we do? We cut the deficit by 60 percent. I am glad I did that. Was there a price to pay for that? Yes. The popular thing would have been to do something different. But we did this.

Now, how do you cut the deficit from here to zero? Well, you can get a costume and suit up and strut around and bellow or bray or crow, or whatever it is one wants to do. Or you can decide that the way to reduce the budget deficit is by individual spending and taxing choices that we must make in a budget document.

You can alter the Constitution of the United States, I guess. You can take this little Constitution and alter it in a hundred places and when it's done, in 5 seconds, not one penny will have been altered from this budget deficit. You can change the Constitution at 2:10 today and you won't have done one thing to change the budget deficit. Why? Because changing the Constitution doesn't change the deficit. Only men and women making individual decisions on spending and taxing can change the budget deficit. We did that in 1993. We didn't have many friends when we did it, but we did it. It's tough medicine, but it's the medicine we have to take.

Now, some come to us today and say that if we simply change the Constitution, we will solve this problem. I have taken the position that I am willing to alter the Constitution of this country. I have not been willing to do it often. I voted against most of the proposals—term limits and dozens of proposals around here—to alter the Constitution. I have not been very willing to change the Constitution. But I have said I think there is some merit in fiscal discipline. I would vote to alter the Constitution.

But I will not, under any condition, vote to alter this Constitution in a manner that, as the majority proposal does, takes the Social Security trust funds, adds them in, and then claims to have balanced the budget when they

haven't. That happens today in normal fiscal policy practice, and it is wrong today. It was wrong last year and, especially, it will be wrong and devastating to this country if you enshrine that practice into the Constitution of the United States.

I want to ask one question, and I want to come here this coming week and ask it repeatedly because I want to find someone who will stand up and answer the question.

To frame the question, I want to give a little history. In 1983, the Congress said, "We have problems financing the Social Security system." We formed a commission, headed by Mr. Greenspan, who now chairs the Federal Reserve Board. Mr. Greenspan and the commission reported to Congress and said that the way we are going to solve the Social Security problem in the long-term is we are going to increase payroll taxes, we are going to increase the age of retirement in the outyears, far out in the outyears, and make a number of other changes. When we do that, we are going to deliberately develop a Social Security surplus—this year, incidentally, it's \$78 billion—and that surplus will be available when the baby boomers need it and retire, well after the turn of the century.

Why was that necessary? Because after the Second World War there was this massive outpouring of love and affection when our young men came home. Guess what? There was something called the World War II baby boomers, the largest baby crop in the history of our country. That large baby crop has worked its way through our society. When it reaches retirement age, we have a demographic problem in Social Security. That is what the Greenspan commission said. The Congress recognized that and they said, "Let us save for that period of time, collect more money now in the Social Security system so that we have it available later when we need it."

Now, the reason I say that they did that, here is the commission testimony before the Ways and Means Committee on which I sat. It is what they claimed, what they said and recommended to us. Create the surplus now so that it's available later when we need it. It was the sober and right thing to do. That is exactly what was done.

In fact, on the chart here are the Social Security surpluses that are going to accrue. This simply goes to 2010—actually, the trust fund is in surplus out to about 2018, and in 2019 begins to run a deficit. You will see the surpluses. These are not insignificant amounts of money. We are talking a trillion dollars in the next 10 years alone.

Now, unfortunately, what has happened as a result of all of this is, instead of this money being saved, it has been used as an offset against other spending. Some say, well, that is all technical garble. It is not technical garble.

I want to ask this question as a result of all of this: In the year 2002,

when we are told by this constitutional mandate and by a budget that calls for a balanced budget—and this would be true of the administration's budget and also true of the majority party's budget—in 2002, if the budget is in balance, why in that year will the Congress be required to increase by \$130 billion the limit on total Federal debt?

I want to ask this question again. I want to ask this a fair amount and get an answer to it. If the budget is balanced by constitutional mandate, if the budget is balanced by a budget plan submitted by anybody in the year 2002, why in the year in which the budget is balanced does CBO tell us that the debt limit will have to be increased by \$130 billion?

I will give you my answer. My answer is that the reason the debt limit has to be increased the very year they say the budget is in balance is because the budget isn't in balance, and everybody here knows it. It's a charade.

I want to ask that question and ask someone to come and answer it. I certainly intend to ask the sponsors to answer it. If the budget is in balance, why are you then required to increase the Federal debt?

Does anybody sitting around their dinner table talking about how they balance their checkbooks believe that is what would happen? We are in perfect balance, our spending is meeting the amount of money we have to spend and, therefore, our debt is increasing. Does anybody believe that would meet the test of credibility in business? I don't think so. It doesn't meet the test of credibility here.

I will support a constitutional amendment to balance the budget. I have introduced one with six of my colleagues, which does not misuse the Social Security trust funds to the tune of a trillion dollars. I challenge those who say they want to alter the Constitution of the United States to join us. We can pass it in 10 minutes, pass it with 75 votes. But that's not what is at stake here. What is at stake are people who want to talk about balancing the budget.

We did more than talk in 1993. We cut the unified budget deficit by 60 percent in real terms, at some political peril, and we paid a price for it. Some people want to talk about balancing the budget and about altering the Constitution. What I want to talk about is doing what we promised the American people we would do—saving over a trillion dollars in the next 10 years of Social Security dedicated trust funds that are taken from workers' paychecks. We promised those workers their money would be saved in a trust fund, saved for when we need it after the turn of the century. Yet here we see a Constitutional proposal to misuse those trust funds and claim that we have balanced the budget.

A columnist in the Washington Post, who I shall not name—Charles Krauthammer—wrote a column last week about this matter. This was his

third column on this issue. He is all cranky about it. He basically said, "DORGAN and those folks don't know what they are talking about."

There is no Social Security trust fund? Social Security is pay as you go? Nonsense. What a bunch of nonsense.

You have a right to be wrong in this country. God bless political pundits who are wrong. You have a right to be wrong. But if you want to see the Social Security trust fund securities, go to Parkersburg, WV. The bonds are under armed guard. The trust funds exist under law. Bonds are in the trust fund.

Pay as you go? Nonsense. The Commission in 1983 said it was not going to be a pay-as-you-go system anymore, that we will raise more money—\$78 billion this year alone—and save that money for the future. So Mr. Krauthammer is just flat wrong.

A group that is right is the well-respected Center on Budget and Policy Priorities. They published something on this issue this week. I want to read part of it into the RECORD because I heard some discussion here today saying if we do not pass our constitutional amendment to balance the budget, the one that misuses all of these Social Security revenues, it is going to hurt our kids.

You want to hurt kids? I will tell you how, and do it quickly. It is confirmed by this study. What you do is take the savings that are designed to be spent in the Social Security system when our kids are going to be out there working and you use the surplus now in order to claim that you are balancing the budget and continue running the deficit. That is why you are still increasing the Federal debt even as you claim you have a balanced budget.

That will really hurt kids, because 10, 15 or 20 years from now you will have to have massive tax increases on our kids to pay for the baby boomers' retirement. The Center on Budget and Policy Priorities lays the whole scenario out in this document.

Pass the constitutional amendment that I have talked about, and you do the honest thing. You save the money we said we would save and you are balancing the budget.

But let me go through this quickly. The report by the Center on Budget and Policy Priorities reads as follows:

The version that includes the Social Security revenues in the unified budget poses serious dangers for the Social Security system. It also is inequitable to younger generations, as it would likely cause those who are children today to have to bear substantial payroll tax increases when they reach their peak earning years.

The reason? Because the money we said was going to save the day is not going to be saved by those who want to enshrine the misuse of it in the U.S. Constitution.

I will read another piece of this.

Unfortunately, the balanced budget amendment pushed by the Leadership would undermine this approach to protecting Social Security and promoting generational equity.

Under this version of the balanced budget amendment, total government expenditures in any year—including expenditures for Social Security benefits—could not exceed total revenues collected in the same year, including revenues from Social Security payroll taxes.

What are the implications of that? It is pretty clear. We envisioned when we passed the Social Security Reform Act that we were going to have a circumstance where we save now and spend out later. The balanced budget amendment reported by the Judiciary Committee would not only allow the misuse of the savings now but also would prevent the expenditure later when it was necessary to meet future needs.

The leadership version, according to the Center on Budget and Policy Priorities, "would eviscerate the essential achievements of the Greenspan commission."

I ask unanimous consent to have this printed in the RECORD. This is an excellent piece that has been written by the Center on Budget and Policy Priorities on exactly this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### THE BALANCED BUDGET AMENDMENT AND SOCIAL SECURITY

In recent years, Congress has considered two versions of the balanced budget amendment. The version supported by the Republican Congressional leadership (herein termed the "Leadership version") requires the "unified budget" to be balanced each year, including Social Security. The other version, which Senators Feinstein, Wyden, Dorgan and others introduced in the last Congress, requires the budget exclusive of Social Security to be in balance.

The version that includes Social Security in the unified budget poses serious dangers for the Social Security system. It also is inequitable to younger generations, as it would likely cause those who are children today to have to bear substantial payroll tax increases when they reach their peak earnings years. The Feinstein/Wyden/Dorgan version introduced in 1996 does not pose these problems.

#### BACKGROUND

In coming decades, Social Security faces a demographic bulge. The baby boomers are so numerous that when they retire, the ratio of workers to retirees will fall to a low level.

This poses a problem because Social Security has traditionally operated on a "pay-as-you-go" basis. The payroll taxes contributed by today's workers finance the benefits of today's retirees. Because there will be so many retirees when the baby boomers grow old, however, it will be difficult for the workers of that period to carry the load without large increases in payroll taxes.

The acclaimed 1983 bipartisan Social Security commission headed by Alan Greenspan recognized this problem. It moved Social Security from a pure "pay-as-you-go" system to one under which the baby boomers would contribute more toward their own retirement. As a result, the Social Security system is now building up surpluses. By 2019, these surpluses will equal \$3 trillion. After that, as the bulk of the baby boom generation moves into retirement, the system will draw down the surpluses (although it is likely that Congress will act to bolster Social Security's finances by reducing benefits or

increasing revenues before then, thereby causing the surpluses to grow larger and last longer than current projections indicate). This practice of building up the surpluses while most baby boomers are still working and drawing them down after they retire is akin to what families do by saving for retirement during their working years and drawing down their savings after they reach retirement.

This approach has important merits. It promotes generational equity by keeping the burden on younger generations from becoming too high. In addition, if the Social Security surpluses were to be used in the next two decades to increase national saving rather than to offset the deficit in the rest of the budget, that would likely result in stronger economic growth, which in turn would better enable the country to afford to support the baby boomers when they reach their twilight years.

To pursue this approach, the deficit in the non-Social Security budget will need to be reduced significantly or eliminated in coming years—so the surpluses in the Social Security trust funds contribute in whole or large part to national saving—and further reforms in Social Security will need to be instituted to restore it to long-term actuarial balance.

#### THE LEADERSHIP BBA AND SOCIAL SECURITY

Unfortunately, the balanced budget amendment pushed by the Leadership would undermine this approach to protecting Social Security and promoting generational equity. Under this version of the balanced budget amendment, total government expenditures in any year—including expenditures for Social Security benefits—could not exceed total revenues collected in the same year, including revenues from Social Security payroll taxes. The implications of this requirement for Social Security are profound.

First, the budget would be considered balanced when the deficit outside Social Security exactly offset the surplus inside Social Security. But when that occurred, the sound objective of the Greenspan commission—to accumulate a Social Security surplus partly to help build the nation's capital stock and productive capacity so we can better afford to pay for the baby boomers' retirement—would be stymied.

Second, the benefits of the baby boomers would have to be financed in full by the taxes of those working in the years the baby boomers are retired.

The Leadership version thus would eviscerate the central achievements of the Greenspan commission.

One reason the Leadership version would have this effect is that even though the Social Security trust funds would have been accumulating large balances, drawing down those balances when the baby boomers retired would mean the trust funds were spending more in benefits in those years than they were receiving in taxes. Under the Leadership version, that would result in impermissible deficit spending (unless it were offset by a corresponding surplus in the rest of the budget, a daunting and possibly unachievable task, especially since Medicare and Medicaid costs also will rise when the baby boomers retire.)

By precluding use of the Social Security surpluses in the manner the 1983 legislation intended, the Leadership version would be virtually certain to precipitate a massive crisis in Social Security about 20 years from now, even if legislation had been passed in the meantime putting Social Security in long-term actuarial balance. To help pay the benefits of the baby boom generation, the nation would face an excruciating choice at

that time between much deeper cuts in Social Security benefits than were needed to make Social Security solvent and much larger increases in payroll taxes than would otherwise be required. There would be only one other alternative—to finance Social Security deficits in those years not by drawing down the Social Security surplus but by raising other taxes substantially or slashing the rest of government severely. As a result, the government might fail to provide adequately for other basic services, potentially including health care and national defense.

Given the numbers of baby boomers who will be retired or on the verge of retirement in those years, deep cuts in Social Security benefits are not likely at that time. Thus, under the leadership version, it is almost inevitable that younger generations will face a combination of sharp payroll tax increases and deep reductions in basic government services.

For these reasons, the Leadership version is inequitable to younger generations. Aggravating this problem, the Leadership version would undermine efforts to pass Social Security reforms in the near future. Why should Congress and the President bother to make hard choices now in Social Security that would build the surpluses to more ample levels if these surpluses can't be used when the boomers retire? Under the leadership version, there is no longer any reason to act now rather than to let Social Security's financing problems fester.

#### LEADERSHIP VERSION ALSO POSES OTHER PROBLEMS FOR SOCIAL SECURITY

Under the Leadership version, reductions in Social Security could be used to help Congress and the President balance the budget when they faced a budget crunch. This could lead to too little being done to reduce or eliminate deficits in the non-Social Security part of the budget and unnecessary benefit cutbacks in Social Security.

At first blush, that may sound implausible politically. But the balanced budget amendment is likely to lead to periodic mid-year crises, when budgets thought to be balanced at the start of a fiscal year out of balance during the year, as a result of factors such as slower-than-expected economic growth. When sizable deficits emerge with only part of the year remaining, they will often be very difficult to address. Congress and the President may be unable to agree on a package of budget cuts of the magnitude needed to restore balance in the remaining months of the year. Congress also may be unable to amass three-fifths majorities in both chambers to raise the debt limit and allow a deficit.

In such circumstances, the President or possibly the courts may feel compelled to act to uphold the Constitutional requirement for budget balance. In documents circulated in November 1996 explaining how the amendment would work, the House co-authors of the amendment—Reps. Dan Schaefer and Charles Stenholm—write that in such circumstances, "The President would be bound, at the point at which the 'Government runs out of money' to stop issuing checks." This would place Social Security benefits at risk.

#### THE FEINSTEIN/WYDEN/DORGAN APPROACH

The Feinstein/Wyden/Dorgan approach resolves the problems the Leadership version creates in the Social Security area. It reinforces the 1983 Social Security legislation rather than undermining that legislation. It does so by requiring that the surpluses in the Social Security system contribute to national saving rather than be used to finance deficits in the rest of the budget and by enabling the surpluses to be drawn down when the baby boomers retire.

The Feinstein/Wyden/Dorgan version thus improves intergenerational equity rather than undermining it. It ensures the surpluses will be intact when they are needed. It also allows these surpluses to be drawn down when the baby boomers are retired, rather than forcing large payroll tax increases and benefit cuts at that time that go well beyond what is needed to make the trust fund solvent.

This version of the amendment also ensures that Social Security benefits will not be cut—and Social Security checks not placed in jeopardy—if the balanced budget amendment leads to future budget crises and showdowns. However such crises are resolved, Social Security would not be involved, because cuts in Social Security would not count toward achieving budget balance.

Mr. DORGAN. Mr. President, I will come back to the floor and ask this question again: If the budget is balanced, why is the Federal debt increasing? Why do you want to put a process in and enshrine a practice in the Constitution that reaches this result, a budget that you claim is in balance when the Federal debt is continuing to rise?

I will continue to ask that question and ask if there isn't a better way to decide to alter the Constitution of the United States.

I want to just respond for one moment to some of what we heard on the floor about how we got to where we are now. I will be very brief on this final point.

We are constantly told—in fact, one of my colleagues last year, and I will never forget this, talked about how we ought to somehow regret the last 50 years in our country. "Gee, what an awful place. What terrible decisions were made in America in the last 50 years."

In November I was in several countries in Asia, and one of the interesting things that I discovered is that when you talk to most of the citizens of those countries, they want to come to the United States. Why? They think this is a wonderful place because of the things that we have created—our education policies, our achievements in a whole range of areas such as health care, education, and the environment.

Most people see America as a beacon of hope and opportunity. Most people around the world see this as a wonderful place in which to live. And much of what makes us a great country is Medicare, Social Security, Head Start programs, and so many other things, almost all of which had to be done by people standing up on the floor of the Senate saying let us do these things, let us improve this country, this is a step forward.

And others are standing up saying, "Oh, Lord no, we can't do this." I know people who are just opposed to everything for the first time. We all know people like that. No matter what it is, they oppose it for the first time, and 10 years later, of course, they think it is just fine because they then understood that it worked.

We have done some good things in this country. And we have made some mistakes.

David Stockman, the Director of the Office of Management and Budget under President Reagan, has written about one of our mistakes. And he was one of the architects of what was done. One of the mistakes made in the early 1980's, as he tells it, was this. "The root problem"—he is talking about the deficits now and where we are financially as a nation—"The root problem goes back to July 1981, the frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability \* \* \*". He says, "A noisy faction of Republicans willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead they have excessively poisoned the political debate pretending that economic growth and spending cuts alone will cure the deficit."

That is David Stockman. That is a Republican.

The only point I am raising is not to point back and forth but just to say here is where we are. Here is how we got here. Let all of us decide, yes, let us balance the budget. Let us put this country on a fiscal policy plane that makes some sense. Let us do this for the benefit of our kids.

But let us not enshrine in the Constitution a practice that is not honest budgeting. Let us not do something that ends with this result of people crowing about how we are balancing the budget, even for their children's benefit, who come to vote for increasing the Federal debt and the same year claim the budget is balanced. How do they explain that to their kids?

If we are going to do something on this floor, especially with this document, let us do it the right way and not the wrong way.

Mr. LEAHY. Mr. President, will the Senator yield for a question?

Mr. DORGAN. Yes.

Mr. LEAHY. I ask the Senator: The Senator is aware, I am sure, that during the first 7 or 8 years of the 1980's the national debt was doubled and tripled; that the administration, then President Reagan's administration and the budget they proposed and received, took all the national debt that this country had built up over 200 years, first doubled it, and then they tripled it.

The Senator, I believe, pointed that out. Is that correct?

Mr. DORGAN. That is the point I was making. It is the point David Stockman made.

It was the fiscal policy recommended and designed by them. However, we also have a responsibility. Democrats and Republicans all have a responsibility for this problem and to solve it together but not create circumstances where we can claim a balanced budget as the Federal debt continues to increase. That is my point.

Mr. LEAHY. I agree with the Senator's point. Would the Senator not

also agree with what President Clinton said in the State of the Union Message that we want a balanced budget? The answer is right there in the Chamber where he spoke. We can vote for it, and he can sign it, and we can do that without amending the Constitution.

The Constitution has been amended only 17 times since the Bill of Rights. Is that correct?

Mr. DORGAN. That is correct. As I pointed out, if the Constitution is amended at 2:25 today, at 2:26 the deficit will not have decreased by one penny. Why? Because altering the Constitution will not decrease the deficit. Only individual choices by men and women of goodwill in this Chamber who are willing to take some risks and take a little heat for it will cut the deficit and finally balance the budget.

I am willing to do that. I demonstrated that in 1993, as did the Senator from Vermont. We had the fiscal discipline.

If we can get some others to join us, we can balance this Federal budget. I just do not want us to play games, saying we balanced the budget, only then trying to explain to our children why the Federal debt continues to increase at the same time. That is not balancing the budget.

Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, I thank the Senator. I believe the other side wishes to have time, and I yield the floor.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Maine.

#### ORDER OF PROCEDURE

Ms. SNOWE. I ask unanimous consent that at the hour of 2:30 p.m. today, the Senate turn to executive session to consider the nomination of Rodney Slater under a previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE. For the information of all Senators, a rollcall vote is now scheduled to occur at approximately 3 o'clock on the nomination of Rodney Slater.

I yield the floor.

Mr. LEAHY. Mr. President, could I just ask the distinguished Senator from Maine, and obviously I have no objection to this request, is it my understanding that the Senate will then go into a short recess for a caucus, or what is the plan? I just want to be advised.

Ms. SNOWE. That is correct. We are going to recess from 3 to 4 for a Republican conference.

Mr. LEAHY. The reason I asked that, Mr. President, we have been trying, Senator HATCH and I and those who filled in for us, to go back and forth on this debate, so I just alert people. Obviously, it is the proponents' of the amendment turn to go, and I yield the floor.

#### BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I rise in support of this constitutional amendment. I have had an opportunity each and every time—and I suppose this is the fifth or sixth time now—in the period of time I have been in the Senate to vote for a constitutional amendment because I believe that such a statement in the Constitution would be a legitimate part of the Constitution. I learned that from serving in a State legislative body where I worked with such a statement within our State constitution, and I saw it bring discipline to both Republicans and Democrats in State legislative bodies to balance the budget, to be fiscally responsible, and have each generation pay its own way.

I have also voted for it because there is not such a statement within the Federal Constitution, and I have seen the lack of discipline in the Congress of the United States to balance the budget. Since I have seen that discipline work at the State legislative level and since State governments tend to be laboratories for our political system, I think we can, with a great deal of certainty and ease of mind, feel confident that we are doing the right thing by placing that discipline on Members of Congress.

The rule of law is something that is traditional to our British-American legal system. Other societies as well might have a rule of law not exactly like ours but still have a respect for basic documents. The purpose of the rule of law is predictability and stability for the future.

Constitutions are part of the rule of law. Constitutions are adopted by societies because it brings discipline to policymakers in Government. It brings a certainty to the relationship of people who govern and the people who are governed. Part of that certainty is discipline on the part of policymakers like those of us in the Congress. So we have a Constitution, and it has worked well to bring stability, to bring discipline, and to bring predictability to the relationship between those who govern and those who are governed.

We see that discipline works in most of the policymaking between the Federal Government and our people, but we have not seen discipline work in the fiscal arena. Has it always been that way? No, it has not always been that way, because for the first 160 years of our country, except during times of war, we had more years where we had budgets balanced and surpluses than years we ran deficits. It was pretty well understood that fiscal discipline, even though it was not written in the Constitution, was an integral part of the tradition of America.

Since the year 1969, or for most of the time since World War II, that has not

been the case. We have shown anything but discipline when it comes to being a caretaker of the tax dollars we raise. The American public sees that. That is why, overwhelmingly, in mail and surveys and everything else, the people of the United States are telling the Congress we need discipline in fiscal matters and that they see a constitutional amendment as bringing that discipline.

It has been 28 years since the time we last ran a surplus. Congress in that period of time has made some feeble attempts to bring our national debt under control—but has failed. I have served with many fine Congressmen and Senators who have made valiant efforts to curb runaway spending. Regardless of their good faith, no balanced budget was produced. The goal has remained out of reach. In the end, then, we must conclude the will to balance the budget has been weak. That is why we desperately need the discipline of a constitutional amendment.

The scope of the national debt is immense. Every year this monster grows as it gobbles up the American dream for our young people. That American dream says that our children should have a better life than our generation as we had a better life than our mothers and fathers, as our mothers and fathers had a better life than our grandfathers and grandmothers. But the American dream is being snuffed out because of fiscal irresponsibility.

This situation has gotten so bad that we now spend nearly 40 cents of every dollar that we collect in income taxes just to pay interest costs on this national debt. The danger of this for the economy and the potentially disastrous effects for future generations have become impossible to ignore. You have to look long and hard these days to find public servants who do not say that they support balancing the budget. That is on both sides of the aisle. Rhetoric in support of budgetary control is at an unprecedented level. But it ends up that talk tends to be too cheap. I am sorry to say, and, as a result, the budget still remains unbalanced.

We must then have the structural discipline of a balanced budget amendment. Fortunately, there has been some progress made lately in bringing down the deficit. For the most part, this is the result of two actions—one by the Republican-controlled 104th Congress, and the other by President Clinton. In the case of the Republican-controlled 104th Congress, some spending restraint that we enacted; in the case of President Clinton, it was his suggestion for the largest ever tax increase that passed in 1993.

Now, of course, some of this reduction in the deficit can be explained by better than expected economic growth, which was mainly the result of the Federal Reserve's wise economic policies. And, despite initial budgets of President Clinton which projected deficits as far as the eye can see, the Congress has been able to submit a budget which balances by the year 2002. This is

all good news. But the political balance is fragile, and we are still waiting for the debt to be tamed.

The American people have had enough. That is why they are telling us, by an overwhelming percentage: Adopt the fiscal discipline of a constitutional amendment. They sent us here to work to restore the American dream for our children and grandchildren.

I hope my colleagues on the other side of the aisle will work with us on this amendment. The national debt has become the gift that keeps on taking. It is unconscionable that we would saddle our children and grandchildren with such a backbreaking public debt. But, if we do not impose the fiscal restraint that only the balanced budget amendment can provide, this debt will be passed on to future generations, and they will be faced with crippling high taxes. Americans will be working harder and longer for less and less.

Such a scenario simply cannot be tolerated, and is not tolerated today at the grassroots. It is only tolerated here, in this Disneyland of Washington, DC.

Passing the buck of the Federal debt to our children and grandchildren is not just an economic problem that they face. It is an immoral problem for us. Because, when you get right down to it, this deficit spending is evidence that this generation, my generation, can live high on the hog and leave the bill to our children and grandchildren to pick up. We must bring the spending binge under control. And the only way to do this in a serious and lasting way is to pass the balanced budget amendment.

I say this after having served as both a Congressman and a Senator and having worked through several attempts to get the national debt and deficit under control. Everything we have tried to date has failed. The Budget and Impoundment Control Act, Gramm-Rudman I and II, and so many other well-intentioned acts and procedures have all come up short. I'll have more to say on this later.

Mr. President, now, more than ever, we have a moral duty to pass the balanced budget amendment. It will force both the Congress and the President, regardless of which party is in control, to live up to their constitutional responsibilities of confronting the national debt. And when those of us here in Washington are forced to live within our means, just like American families do, every American will benefit. Interest rates will go down, which will mean lower payments for car loans, student loans, and mortgages. And by reducing the cost of living, the American dream will still be attainable. This is especially important today when it often takes two wage earners to make ends meet.

When I talk with the folks back home in Iowa, they let me know that we have to get our fiscal house in order. An overwhelming majority of

them support the balanced budget amendment. It has been our experience in Iowa that the state constitutional balanced budget requirement works. Whether the legislature is controlled by Democrats or Republicans, our elected officials have abided by it. We here in Washington have a great deal to learn from Iowa and the many other States where similar procedures have been successful.

As the only family farmer in the Senate, I think it is also important to note that the American Farm Bureau Federation supports the balanced budget amendment. Even though many farmers, including those in my home State, have had to shoulder a large part of the load in budget reduction recently, they know that their livelihood depends on the long-term economic health of the country. They know that there can be no future for the American farmer, or anyone else, if deficit spending is not reined in. We need the budget discipline mandated by the balanced budget amendment in order to guarantee the survival of the American dream for farmers and everyone who benefits from their labor.

Another alarming aspect of our Federal debt is the growing percentage which is held by foreign interests. The proportion of overseas holdings in our debt is approaching 20 percent. In essence, we have seen the slow drip of national sovereignty going down the drain. If we do not control the Federal debt soon, this drip will become a steady stream. So, in a very real sense, irresponsible Federal budgeting has compromised our national security. The time to put a halt to this trend is now.

So, Mr. President, I conclude today by saying it is a moral imperative that we pass the balanced budget amendment. This is not a decision I come to lightly. I am very hesitant about making additions to our Constitution. But our Founding Fathers knew that there would be critical moments in our Republic's history when problems of great difficulty would arise which would require constitutional force in order to solve them. That is why the Constitution was designed to be amended in such circumstances. I would remind my colleagues that all we in Congress can do is send this measure to the States and let the people of America decide whether it will become law. Why is a vocal minority here in Congress so afraid of letting democracy work and letting the people decide?

Our ever-expanding national debt is a problem of fundamental importance which justifies a constitutional solution. We cannot let another Congress go by in which we do not confront this issue and impose discipline on this institution. Our future and that of our children and grandchildren depend on it.

Mr. MCCAIN. Mr. President, yesterday, the Senate began debate on the balanced-budget constitutional amendment, of which I am an ardent sup-

porter. Passing this amendment, and abiding by it, is the most important action we can take to protect the future of our children, grandchildren, and future grandchildren. Congress' insatiable appetite for spending is mortgaging the prosperity of these future generations. Not only is this irresponsible, but it is immoral.

Our Founding Fathers recognized the basic principle that the Federal Government must not spend beyond its means. Thomas Jefferson said, "We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." Unfortunately, we have strayed far from Mr. Jefferson's wise advice.

The Federal Government's uncontrolled spending has built up an enormous national debt that currently stands at \$5.3 billion. Apportioned equally, this means that every man, woman and child in this country currently owes almost \$20,000. Put another way, if you spent a dollar every second, it would take 150,000 years to spend our current debt. And our debt is still growing by \$4,500 per second—about the same amount it would cost to send three people to a community college.

The economic rewards for balancing the budget should be reason enough to act. Many well respected economists predict that if the budget were balanced, interest rates would drop by about 2 percent. This would mean annual savings of \$1,230 on a middle-class family's home mortgage; \$216 on an average student loan; and \$180 on an average auto loan. In the Federal budget world of billions and trillions, these savings are all too often ignored, but these are real savings that would lead to a better life for America's families.

Although Congress has talked endlessly about balancing the budget, the budget has not been balanced since 1969. Without a balanced-budget constitutional amendment, I doubt the President or Congress will ever have the political courage to balance the budget. We simply lack the discipline to control our spending habits. We have ignored our responsibility to put our fiscal house in order, choosing instead to leave future generations of Americans with an overwhelming legacy of debt. It is simply immoral to allow this deficit spending to continue. Our duty as elected officials must be to preserve a strong and solvent nation for the next generation.

Let us show the American people that we take our duties seriously. We must prove we are ready to embrace fiscal responsibility permanently. The moment has finally come for Congress to pass the balanced budget amendment and send it on to the States. Let us begin a national debate, in every State legislature in this country. Americans have waited decades for this opportunity. They have waited long enough.

## EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to consider the nomination of Rodney E. Slater, of Arkansas, to be Secretary of Transportation.

# NOMINATION OF RODNEY E. SLATER OF ARKANSAS TO BE SECRETARY OF TRANSPORTATION

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Mr. President, I yield myself 5 minutes from the time allocated to Chairman MCCAIN.

Mr. President, last week I had the opportunity to speak before the Commerce and Environment and Public Works Committees on behalf of my good friend and our nominee for Secretary of Transportation, Rodney Slater. I am proud today, and honored today to be able to rise before the entire Senate body and once again voice my support for the President's choice for Secretary of Transportation.

I have known Rodney Slater since the 1980's, when I was first elected to the Arkansas State House of Representatives and Rodney was the executive assistant for then Governor Bill Clinton. From the very beginning of our relationship, I had the deepest respect for Rodney on both a personal and professional level.

Professionally, I think there is no question whatsoever that he is qualified to become the Secretary of Transportation. Before coming to Washington, Rodney served for 6 years as commissioner and later chairman of the Arkansas State Highway Commission. During this time, Rodney, without hesitation, tackled the great challenge of improving a poor rural State's infrastructure. He took on that challenge, not just trying to please, but trying to do the right thing. Arkansas, like most of our States, is a very diverse place with many competing regions. Rodney, though he hailed from the delta, was always fair to every part of the State of Arkansas. I think that is a preeminent qualification for somebody who is going to be Secretary of Transportation of the United States. He will be fair with all modes of transportation. He will be fair to all parts of our Nation.

In the last 4 years, Rodney has served as Administrator of the Federal Highway Administration, where he has faced the demands of implementing ISTEA. As you know, hearings on the reauthorization of ISTEA will begin next week. We will be dealing with some of the most important and complicated issues of transportation when we consider this vital piece of legislation. Rodney's experience with national and local transportation needs as well as his expertise in the intricacies of ISTEA give me great confidence he will be able to work with Congress

in a manner that will help us form legislation that will not only be fair but will address the Nation's pressing transportation needs into the 21st century. Certainly I look forward to working with a Secretary of Transportation who brings hands-on experience to the Department.

On a personal note, I cannot adequately express my esteem for Rodney, for the courage he has shown in overcoming a childhood of deprivation. He is a native of Marianna, AR, the Mississippi Delta region, one of most impoverished of our Nation. Many children grow up in those conditions and find that poverty overcomes them. They never come close to reaching their full potential. Rodney serves, I believe, as a role model for countless Americans who pull themselves up from poverty to make the American dream a reality. If you judge a person from what they overcome, then Rodney Slater has overcome a lot, and should be esteemed. He has not only benefited his own life, but the lives of those he has touched through his selfless public service. His experience in the region of the world he came from, I think, gives him a unique perspective of the value of our Nation's infrastructure and the role it plays in economic development.

Another one of the great things about Rodney, which I have expressed many times, is his commitment to his family. Nobody could question that after watching the confirmation hearings. Several of his family members came there at each time.

I want to reiterate my comments from last week. I have no hesitancy whatsoever in giving my support for Rodney Slater to be Secretary of the Department of Transportation. I believe the President made a fine choice and I look forward to casting my vote for that confirmation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. The distinguished Senator from Arkansas has been so laudatory, I think the RECORD should show that Rodney Slater is a Democrat.

The fact of the matter is, he has strong, strong bipartisan support because he truly comes as an appointment, not on account of the color of his skin, but the content of his character. As the distinguished Senator pointed out, he started in the most humble Mississippi Delta section of Arkansas, attended the public schools, graduated, then, from Eastern Michigan University, and then from the University of Arkansas School of Law at Fayetteville.

Working as a commissioner on the Arkansas Highway Commission, he then was able to serve as its chairman and came here just almost 4 years ago as the Federal Highway Administrator. You only have to go to Northridge, CA, to ask how he did. Right after that earthquake out in California, Mr. Slater cut through all the bureaucracy.

His actions there, instituted immediately, facilitated the provision of alternative transportation, and then Mr. Slater's FHWA allowed the repair and rebuilding of the damaged highways out there in record time.

He has become familiar with all modes of transportation, working at DOT—the civilian airline system; all the railroads, including the Nation's rail passenger service, Amtrak; the water borne transportation system, and everything else. So he is totally familiar with it. I don't know any better compliment than that related by my distinguished colleague from Arkansas. Mr. Slater appeared with the strongest bipartisan support of any nominee I have seen in my time up here, and I think he deserves it. I have watched him over the past 4 years, as I have watched other Federal Highway Administrators, but none has done a more resourceful job, a more understanding job, and a more effective job than Rodney Slater of Arkansas.

It's quite a journey from those rural roots to being chairman of the Arkansas State Highway Department to administering the Nation's highway program and now, I hope, to Secretary of Transportation. Mr. Slater's journey began with a loving family and community, and we should, as he does, pay tribute to them. They instilled in him the thirst for education, the drive to succeed at every job, and the determination to be fair in whatever he did. These are qualities that we should look for in every nominee for every office. But in addition to Mr. Slater's personal story there are several other excellent reasons for confirming Mr. Slater in this very important Cabinet position.

He has high-level experience in transportation dating back to 1987. Mr. Slater has served as a member of the Arkansas State Highway Commission and later as the commission chairman. In these positions he received high praise for his ability to bring together diverse interests in order to get the job done. Part of Mr. Slater's success is attributed to his willingness to listen to disparate points of view and a desire to learn from others.

Mr. Slater was appointed to the Federal Highway Administration [FHWA] by President Clinton in 1993. As Administrator, Mr. Slater managed a \$20 billion annual budget in an agency with 3,500 employees and an office in every State. In that capacity, he impressed both local officials and Members of Congress with his ability to work within the system to get things done. During the last 4 years the FHWA under Mr. Slater has expanded our Nation's highways and linked isolated communities to new jobs and opportunities.

One important example of this nominee's abilities is the response of the FHWA to the devastating earthquake that took place in Northridge, CA. Mr. Slater received high marks from those who witnessed his ability to cut red-tape and lessen response time so that critical funds would be released

promptly to the communities hit by the earthquake. His adept maneuvering through the bureaucracy resulted in the provision of alternate transportation and the rebuilding of vital highways in record time.

In nominating Mr. Slater, President Clinton said: “\* \* \* he was recommended by more people from more places in more ways for this job than any person for any position I have ever seen.” Nothing is more true. Look at the Members of Congress, on both sides of the aisle, who have supported this nomination. During the Commerce Committee hearing on his nomination, Mr. Slater was endorsed by Senators WARNER, BUMPERS, and HUTCHINSON and Congressmen HUTCHINSON and BERRY. That’s a good cross-section of support—the chairman of the Transportation Subcommittee of the Senate Committee on Environment and Public Works and four members of the Arkansas congressional delegation, two from each party. He has also received high praise from our House colleagues. Congressman WOLF, chairman of the House Appropriations Subcommittee on Transportation, called the nomination “a natural.” House Transportation and Infrastructure Committee Chairman BUD SHUSTER said he considers the nominee one who “can work well with both parties.”

Mr. Slater’s nomination is not just endorsed within the Washington Beltway. Indeed, the transportation industry uniformly praised Slater both for his abilities as the FHWA Administrator and for his interest in learning the promises and prospects of the other modes of transportation.

From my perspective as Senator from South Carolina, I am very pleased to have a nominee who has a firm grasp of the highway system that is so vital to my State. Moreover, in Mr. Slater we have the opportunity to confirm as Secretary of Transportation a man who knows the value of the other modes of transportation as well: The Nation’s civil aviation system, Amtrak, and the country’s waterborne transportation system.

With Mr. Slater, we will have a Secretary who knows that we must rebuild the Nation’s infrastructure if we are to grow and prosper in the 21st century. He is a man who believes, as I do, that the number of ships that steam into our ports means little if road or rail transport is insufficient to speed the cargo on its way to points inland; and that increasing tourism in Charleston or Boston or New Orleans won’t matter unless trains and planes are available to bring the tourists to those cities.

He is also a man who is well aware that a carefully constructed reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA] can give us the boost we need toward the year 2000. We in South Carolina have worthwhile intermodal projects that need funding. These intermodal projects will relieve choke points in the States, giving us a start

on the seamless transportation network that ISTEA envisions. An example of one of our most pressing issues for ISTEA is the long overdue replacement of the bridges over the Cooper River in Charleston. These bridges are essential to the movement of cargo to and from the port.

In conclusion, Mr. Slater has earned my support and my vote because I am impressed with the intelligence, dedication, and ability I believe he will bring to this job. I urge my colleagues to join me in confirming this excellent appointment.

Mr. FORD. Mr. President, I rise today to talk about a person who has been honored by President Clinton to serve as the Secretary of Transportation, Rodney Slater. Last week, Mr. Slater testified before the Commerce Committee. He talked about his commitment to public service, his background, and his desire to make sure that the United States remains the leader in aviation. He talked about the challenges facing the Transportation Department, but more importantly, the challenges facing all of us and our constituents.

Mr. Slater showed himself to be forthright and straightforward. In response to some tough questions, he did not flinch. He looked each of us in the eye and committed to work through difficult problems, to rebuild our Nation’s roads and bridges, and to make our transportation system as safe as possible. He also said something else in response to a tough, but fair comment from our chairman, Senator MCCAIN. He said he wanted to give people a reason to vote for someone, rather than against someone. Mr. Slater did that in his testimony.

Mr. Slater also brings something else to DOT—he has served for 4 years as the head of the Federal Highway Administration. Mr. Slater’s support before our committee was bipartisan, both Senators and Congressmen. Senator WARNER talked of his first-hand experience with Mr. Slater in working with flood victims in Virginia. Mr. Slater has similarly responded to problems in Kentucky and other States.

Mr. Slater is one of the first nominees for the Secretary’s position to have worked for one of the modal administrations. That experience alone will benefit our communities. Mr. Slater understands, for example, that opening up foreign aviation markets to our carriers will benefit our communities. Mr. Slater understands the importance of developing a new ISTEA bill. Mr. Slater recognizes the need to appoint members to the National Civil Aviation Review Commission, so that we can move forward with improving the Federal Aviation Administration. Funding for the FAA, improving aviation safety, and continuing to make strides in aviation security are matters that the new Secretary will confront on day one. Let’s make tomorrow day one.

Mr. Slater has many challenges ahead of him. We should let him get to

it as quickly as possible and I urge my colleagues to support this nomination.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I have about 4 minutes, I would say. Can I be yielded some time?

Mr. HOLLINGS. Yes, 4 minutes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I thank the distinguished Senator from South Carolina.

Mr. President, I rise in support of the nomination of Rodney E. Slater to be the Secretary of the Department of Transportation. Over the last four years, Mr. Slater has served the President and the Nation, and he has served well in his capacity as our Federal Highway Administrator. He has done so with the same distinction and effectiveness that he demonstrated previously while serving then-Governor Clinton in several capacities back in his home State of Arkansas.

I am pleased that the President has nominated such an able and accomplished and dedicated public official to head the Department of Transportation. We will face many critical challenges in the transportation arena in the next several months and years—the reauthorization of all of our critical highway and transit programs; the need to reform the entire financing mechanism for the Federal Aviation Administration; the need to find more Federal resources to stem the deterioration of our transportation infrastructure; the need to reverse the recent increase we are witnessing in drunk driving as well as the need to improve our safety record in all modes of transportation.

I heard the President speak about the dangers of smoking, and I am for the great crusade that has been conducted across this Nation against smoking. But I would like to see a similar crusade against drinking alcoholic beverages. Let’s have a crusade to match the crusade against smoking. Let’s have a crusade against drinking, because my wife, your wife, my daughters, my grandchildren can get into an automobile and leave the house and never come home alive again because of some drunken driver who is all over the highway. Let’s have a crusade against alcoholic beverages. I would be happy to help by speaking out against the drinking of alcohol.

I know from several meetings that I have had with Mr. Slater that he recognizes clearly how important a vibrant and efficient transportation system is to the Nation’s future. He knows that, as a nation, we have allowed our transportation infrastructure to deteriorate to the point that we have a backlog of unmet needs totaling well over \$100 billion. This backlog of unmet needs for unsafe bridges, deteriorated highways, airports, and transit systems serves as a continuing drag on our Nation’s productivity. He knows that poor highways restrict access to jobs, to schools

and to health care—that poorly maintained ships and waterways can lead to environmental disaster.

At my request, Mr. Slater has visited my home State of West Virginia on a number of occasions. He has seen first hand the benefits flowing to my constituents and the entire Nation from ongoing efforts such as the completion of Appalachian Corridor "G." But he also knows that much more needs to be done to improve mobility, not just in West Virginia but throughout the entire Nation.

Mr. Slater comes from humble origins, having been born in the small community of Tutwiler, MS. With a population of 1,391, just a few more people than we have in Sophia, WV, from where I come. Tutwiler has about 200 more residents than the town of my upbringing, Sophia, WV. I know something about humble beginnings. And I know that humble beginnings can give some people a clarity of vision and tenacity of purpose. These are the attributes that we find among true national leaders—and Rodney Slater's leadership at this vital time in the Nation's history as Secretary of Transportation will be critical as we strive to balance the Federal budget without decimating the Nation's physical infrastructure. I look forward to his confirmation. I am glad today to speak in support of his nomination enthusiastically and without any reservations.

I thank the Senator from South Carolina. I yield the floor.

Mr. LAUTENBERG. Mr. President, I rise to offer my strong support for Rodney Slater to be the next Secretary of Transportation.

Mr. President, as Administrator of the Federal Highway Administration, Rodney Slater has demonstrated the leadership, intelligence, and vision that is required to lead the Department of Transportation. I am confident he will do an excellent job as Secretary.

During the past 4 years, Administrator Slater has overseen a \$20 billion U.S. Highway System and a nationwide work force of 3,500. In that capacity, he transformed FHWA policies and programs to better serve the people and industries who rely on our highway system. He has also been a strong advocate for the advancement of women and minorities.

As Secretary, Mr. Slater will play a critical role in ensuring that our Nation makes much-needed investments in our transportation infrastructure. I know he shares my commitment to that goal. Transportation generates 20 percent of our GNP, and every \$1 billion invested in our transportation system yields more than 25,000 construction-related jobs.

Investment in transportation is also necessary to keep us internationally competitive. Americans spend more than 1.6 million hours a day stuck in traffic, at a cost to U.S. businesses of about \$40 billion per year. That's a burden our economy simply cannot afford.

By reducing congestion, improving air quality and enhancing safety, effec-

tive transportation systems also improve our overall quality of life.

This year we are facing renewed debate on the importance of transportation as we discuss the authorization of ISTEA. And I am pleased that Rodney Slater will be taking the lead for the administration in the reauthorization effort.

Mr. President, ISTEA is a bold and innovative law that is helping to increase mobility, ensure access to jobs and sustain our environment for future generations. It has improved planning and flexibility, emphasized local decision making and encouraged new technology.

Mr. President, we need to extend ISTEA to meet the transportation and economic challenges of the 21st century. We need to build on the legislation's innovative intermodal system. We should continue to promote State and local flexibility. We should continue to use technology, or so-called Intelligent Transportation Systems, to increase our capacity and efficiency. And we must maintain ISTEA's commitment to promoting safety.

I believe Rodney Slater shares my commitment to these goals, and I am looking forward to working closely with him throughout the debate on ISTEA.

Mr. President, as we develop so-called ISTEA Two, all of us will need to remember that the choices we make will directly affect the lives of millions of ordinary Americans. Our decisions will affect where and how we live. Where we work. How we'll get there. And how long it will take.

In many cases, our choices also will be a matter of life and death for thousands of Americans. And we shouldn't forget that. We will be deciding the safety of our roads, our rails, and our air travel. Unfortunately, over the past 2 years, safety often has taken a back seat to other considerations. We have lost our national speed limit. We have lost our motorcycle helmet and seat-belt laws. And, meanwhile, the problem of drunk driving has worsened. In my view, it's long past time that we made safety a top priority.

Mr. President, I raised this issue with Administrator Slater during the informational hearing in front of the Senate Environment and Public Works Committee. He assured me that safety is, and will continue to be, his top priority as Secretary of Transportation. I commend him for that commitment.

Administrator Slater also assured me that he is an advocate for healthy transportation funding this fiscal year and in the years ahead. In the coming months, Congress and the administration will be working together to balance the budget. As that process moves forward, all of us who care about transportation will have to work hard to ensure that transportation is given the priority it deserves.

Mr. President, I am confident that Rodney Slater will be a Transportation Secretary who will work to maintain

our infrastructure, to preserve ISTEA, to enhance safety, and to ensure adequate funding for our transportation needs. I look forward to working closely with him to ensure that all Americans can travel safely and efficiently as we move into the 21st century.

Mr. DOMENICI. Mr. President, I rise to express my strong support for the confirmation of Administrator Rodney Slater to be the next Secretary of Transportation for this great Nation.

With 1 of every 10 workers and over \$700 billion dollars being devoted annually to transportation products and services, we certainly need a person of Mr. Slater's caliber.

Transportation touches the lives of each and every American citizen on a daily basis; and while we can be proud of our railways, interstate, highways, and airport systems, there are still significant challenges which lie ahead.

Mr. President, both personal and business travel are at all time highs and the concern for safety is shared by all Americans.

We are continually facing the problems of congestion and pollution in metropolitan areas while attempting to meet the demand for increased mobility.

And, in New Mexico, like many other rural States, we are witnessing a demographic shift which is placing a strain on our current regional transportation systems.

In addition, there are still the growing demands for speed and efficiency in the transportation of goods. With the emergence of just-in-time manufacturing, transportation authorities must continue to research transportation innovations and utilize new technologies which will help preserve time and money.

Mr. President, I believe Mr. Slater's creativity and fresh thinking will be an asset to the President as we begin to face these issues and look towards the future of transportation in America. And that future begins with the reauthorization of the Intermodal Surface Transportation Efficiency Act [ISTEA].

I believe we must build upon the priorities set forth in this important legislation while continuing to provide the necessary funding to ensure the strongest transportation infrastructure possible.

ISTEA's reauthorization must be based upon principles that will sustain a strong globally-competitive economy and ensure the mobility and safety of our people.

I believe Mr. Slater recognizes the challenges ahead of him as Secretary of Transportation and I am truly encouraged by his commitment.

Administrator Slater's history is clearly one of hard work and dedication. He served as assistant attorney general for the State of Arkansas and later worked as an assistant to the Governor on economic and community programs.

Administrator Slater began his focus on transportation by serving as the

chairman of the Arkansas State Highway Commission.

And I believe in this era of new federalism, his experience in running a state highway agency will be an excellent background as we look to provide State governments with enough flexibility to produce local answers to transportation issues.

In addition, Administrator Slater served as a member of the American Association of State Highway and Transportation Officials' Executive Committee of Commissions and Boards and is currently serving as the first African-American to head the Federal Highway Administration where he worked as an effective leader in escorting the National Highway System legislation through Congress.

In speaking with Administrator Slater on many occasions, I have always been impressed with his desire to participate in open discussions with one priority in mind—and that is to reach a solution which is best for the American people.

In fact, as Federal Highway Administrator, Mr. Slater personally traveled from coast to coast as part of an outreach program which he initiated.

From Buffalo, NY to Laredo, TX and from San Francisco, CA to our Nation's Capital—Administrator Slater sat down with real people to discuss their thoughts and concerns about our Nation's highways and interstates.

I believe Administrator Slater, in his new capacity as Secretary of Transportation, will continue to provide all Americans with a transportation network that will be second to none.

And it is in my judgment that Administrator Slater has first hand knowledge as to what the future needs are for this Nation's transportation infrastructure.

I commend President Clinton for his nomination, and shall cast my vote for his confirmation with confidence and wish him the best as he begins to face the transportation challenges of this great Nation.

Mr. President, I yield the floor.

Ms. MIKULSKI. Mr. President, I rise today to offer my strong support for the confirmation of Rodney Slater as the new Secretary for the Department of Transportation.

Mr. Slater has the experience, the sense of purpose, and the commitment to make sure that our transportation infrastructure is ready for the new century. He is well suited to head the Department of Transportation, a large and complex agency which is so vital to America's infrastructure. Transportation is one of the underpinnings of our economy, and plays an essential role in the daily lives of all Americans. A safe and efficient system of transportation is needed to keep our growing economy strong.

Rodney Slater understands that transportation is an engine for job creation. He knows that it provides hundreds of good paying jobs in the development of transportation technologies,

in construction, and in the delivery of transportation services. From the person who drives the light rail train through my own hometown of Baltimore, to the scientists and engineers designing the transportation networks of the future, transportation means jobs. Mr. Slater understands that.

Under Mr. Slater's guidance, the Department of Transportation will continue to encourage new technologies, promote safety, and protect our environment. He is the right person to manage our national infrastructure, and lead the way to better and safer roads and transit systems, airports, and to keep us globally competitive.

Mr. President, I look forward to working with Mr. Slater on making the Department of Transportation a more effective and efficient agency. We must work together to meet the transportation needs and challenges that we face as we enter the 21st century. Much has been done and continues to be done as we work as partners to revitalize America's transportation system.

Mr. Slater is equipped for this task. He was appointed to the Arkansas State Highway Commission in 1987, and made its chairman in 1992. Mr. Slater understands the needs of local and State governments. He understands the need for our rural, suburban, and urban areas to be connected, and provide the access to opportunity.

As the Administrator of the Federal Highway Administration, Mr. Slater has shown his commitment to put people first, and to rebuild America. He has listened to thousands of constituents and incorporated their concerns into the Federal Highway Administration's decisionmaking process. He has led this agency as it rebuilt and expanded our Nation's highways, and in the process created jobs and opportunities.

I look forward to working with Mr. Slater as he works to meet the transportation needs of Maryland and those across this great Nation. I urge my colleagues to confirm the nomination of Mr. Rodney Slater as Secretary of the Department of Transportation.

Mr. KERREY. Mr. President, I rise to support the confirmation of Rodney Slater to be the new Secretary of Transportation. Perhaps only the Secretary of Agriculture has as a profound effect on economy of my State as the Secretary of Transportation.

As a large geography, small population State at the Nation's crossroads, Nebraska has a great deal at stake in America's transportation policy. Perhaps only the Secretary of Agriculture has as profound an effect on the economy of my State as the Secretary of Transportation.

Coming from rural Arkansas, Rodney Slater understands the transportation problems of Nebraska and the Nation. He has demonstrated skill and vision as Administrator of the Federal Highways Administration.

One of the most important bills the 105th Congress will consider is the re-

authorization of the Intermodal Surface Transportation Efficiency Act (ISTEA). The new Secretary will lead the administration's efforts on this important bill. The Senate begins its work on the reauthorization of ISTEA with this confirmation. As the Senate debates the nomination of Rodney Slater to be Secretary of Transportation, I would like to take a few moments to discuss some of the transportation priorities I want our new Secretary and the Senate to consider.

First, the new Surface Transportation law should promote a national transportation infrastructure which addresses rural and urban needs. That legislation must recognize that transportation investments in small population, crossroads States like Nebraska contribute to the productivity and efficiency of the entire nation.

Second, ISTEA 2 should be truly intermodal by including an authorization for Amtrak, and assistance for communities dealing with an increasing density of rail traffic. The Congress has a tremendous opportunity to enhance safety where rails meet roads in America.

Third, safety must remain the pre-eminent focus of transportation policy. In spite of long-term progress on the safety front, more than 41,000 Americans will die and more than 3 million Americans will be injured this year on the Nation's roads and highways. We can reduce that number by focusing much needed attention on two groups of drivers—Teenagers and repeat offenders. Traffic accidents are the leading cause of death among Americans ages 15-24. The reauthorization of ISTEA provides an opportunity to seriously address this problem.

Fourth, in aviation, I applaud the Secretary-designate for his strong statement in support of the Essential Air Service Program. Air service is critical to the economic survival of many rural communities. Last year, the Congress solved the chronic funding problems of the Essential Air Service program. I am pleased that the Secretary-designate supports that action.

Finally, Mr. President, I pledge to the new Secretary that I will continue to do everything I can to end the hemorrhage of the airways trust fund. The lapse of the aviation ticket tax is draining the trust fund at an astounding rate of \$18-20 million a day. As a new member of the Finance Committee, I consider funding the Nation's investments in airport safety, security, and efficiency a top priority. I am proud that our committee yesterday took swift, bipartisan action on this important matter.

Mr. President, with this confirmation, we begin work on the transportation policy for a new century. The Senate should not underestimate the importance of this task or the significance of this confirmation. Future employment, economic growth, international competitiveness, and national productivity are all at stake. I am confident that Rodney Slater understands

the importance of his mission and I look forward to working with the new Secretary.

Thank you, Mr. President.

Mr. BAUCUS. Mr. President, I rise today to express my strong support for the nomination of Rodney Slater to be the next Secretary of Transportation.

Most of my colleagues know Rodney Slater from his tenure as the Federal Highway Administrator—a position he has held since 1993. Mr. Slater has proven his ability to grasp and understand transportation issues that are important to all regions of this country.

Even though he is a native of Arkansas, I can tell my colleagues that he recognizes the needs of areas such as the West. In fact, he has traveled to Montana three times to see first hand the vast expanse of land and low population that is our State. These trips have enabled him to appreciate the true meaning of the word rural.

And this experience will come in handy in the coming months. One of the key issues the 105th Congress will face is the reauthorization of the Intermodal Surface Transportation Efficiency Act or ISTEA. This legislation will set the highway and transit funding levels for every State and an understanding of the needs of rural States will be critical. ISTEA expires on September 30 of this year and we have our work cut out for us.

There will be many difficult and controversial issues to be debated during reauthorization. One such issue will be the question of highway funding formulas. I would remind my colleagues that we are one Nation—not 50 separate ones. We all come from different States with diverse transportation needs. But our goal should be to craft a reauthorization bill that will move this country forward into the next century—not one that takes us back.

Mr. President, transportation in Montana is not just limited to highways. There is another important component of our transportation system—the Essential Air Service program.

The Essential Air Service program ensures that some of this country's most rural and vulnerable communities have access to air transportation. It is truly an essential transportation program.

Montana is second only to Alaska in the number of EAS communities—seven. Every year, Congress must fight for the necessary funding to continue this program. However, Mr. Slater has pledged his commitment to support this program. I look forward to working with him and the rest of the Department to ensure the stability of this program into the future.

Rodney Slater has repeatedly shown an ability to bring diverse interests together for a common goal. He has also displayed a skill for taking innovative approaches to many of the problems facing the transportation community. He has always been responsive to me and other Members of the Senate. It is

these skills that Congress will need during the reauthorization of ISTEA and other transportation matters.

Mr. President, I support this nomination without reservation and urge my colleagues to do the same.

I yield the floor.

Mr. KERRY. Mr. President, I am pleased to support the nomination of Rodney Slater to be the next Secretary of Transportation. Mr. Slater has distinguished himself by his fine service to the people of Arkansas and to the Nation as Federal Highway Administrator. I have had the opportunity to meet with Mr. Slater and discuss a range of transportation issues with him. I am confident that he has the necessary skills and knowledge to develop a national transportation policy and to prepare our Nation for the transportation challenges of the next century.

The greatest challenge before Mr. Slater is to establish a comprehensive transportation policy for the 21st century. When Mr. Slater came before the Commerce Committee, I spoke of the need to develop such a policy and I emphasized my belief that such a policy must prominently include passenger rail service as an integral component. Despite rail's proven safety, efficiency and reliability in Europe, Japan, and even here in the United States, our Nation continues to seriously underfund and shortchange passenger rail. Indeed, over half the Transportation Department's spending authority is devoted to highways and another quarter to aviation; rail is still in distant last place with roughly 3 percent of total spending authority. During the confirmation hearing, I stated that I believe the time is long overdue to change our approach and to afford greater consideration to our commitment to intermodalism. I hope to work with Mr. Slater in the years ahead to develop and deploy a comprehensive, financially stable, intercity transportation network that includes passenger rail as an integral component.

A second and important challenge Mr. Slater will face will be the reauthorization of the Intermodal Surface Transportation Efficiency Act or ISTEA. I am by no means alone in counting on the administration to play a central role in this debate. Soon, the administration will submit its proposal for reauthorizing ISTEA. I expect this proposal to fairly allocate highway funds and to consider the aging and crumbling infrastructure of the crowded cities in the Northeast. These cities are important population centers and significant gateways for international trade and tourism. Those of us representing northeastern States are placing great faith in Mr. Slater—faith that he will afford due consideration to our legitimate needs and will offer sufficient support to ensure that those needs are addressed in a fair and equitable manner.

I look forward to working with Mr. Slater in several other areas including

reforming the FAA, negotiating and implementing meaningful open-skies agreements with our trading partners, and implementing the train whistle ban in a manner that respects the safety records of the communities that will be affected.

I enthusiastically will vote in favor of Mr. Slater's confirmation, and I urge my colleagues to do the same.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, the Senate, in just a minute, will vote on the nomination of Rodney Slater to serve the Nation as Secretary of Transportation.

I congratulate Mr. Slater on the honor of being selected by the President for this very important post, and I urge the Senate to confirm his nomination.

Mr. Slater currently serves as the top official at the Federal Highway Administration and has received much praise on both sides of the aisle and from across the country for his good work in that important capacity.

On January 29, the Senate Commerce Committee conducted a thorough hearing on the Slater nomination, and, yesterday, the committee voted unanimously to refer his nomination to the full Senate with our approval.

As part of the committee's examination, we submitted a battery of questions to the nominee regarding his qualifications and fitness to serve as Secretary; about his priorities in serving the transportation needs of our country; and about his plans to ensure that he and the Department effectively serve the public interest in keeping with the highest standards of professional conduct.

He faithfully responded to our many questions and while members may disagree about some of his policies, the nominee is experienced in the transportation arena; has proven himself to be a dedicated public servant; and has assured the committee that he has not engaged in any activity which would cast doubt on his ability or fitness to serve.

Mr. Slater, has a very difficult job ahead of him. The Transportation sector affects every facet of our country's economic and social life. The ability of our citizens and the Nation's goods to travel freely, economically and safely, will be directly and deeply influenced by the policies established by the new Secretary.

Our Nation faces severe challenges in the effort to keep our transportation systems the most modern, efficient, and safest in the world. In particular,

upgrading the Nation's highways, railways and aviation infrastructure in an era of necessary budget constraint will be especially difficult and will require vision and leadership.

Above all, the new Secretary's top priority must be protecting public safety in all modes of transportation. And, he must apply himself to prioritizing national needs and eliminating unjustified programs so that limited resources can flow to the Nation's most pressing requirements according to merit and need. Achieving these lofty goals will take a Secretary who can say no, as well as yes, and who can keep an unflinching eye on the interests of the country rather than on politics.

Mr. Slater, assured us that he understands the magnitude of the responsibilities awaiting the new Secretary, and is qualified and eager to take them on. Having questioned and examined this nominee, and given his track record of public service, the committee trusts and believes that is so. I urge my colleagues to confirm Rodney Slater, and we look forward to working with him to best serve the transportation needs of our Nation.

I ask for the yeas and nays on this vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. If my colleague would yield.

Mr. MCCAIN. I am happy to yield to the Senator.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to extend—

Mr. MCCAIN. Mr. President, under the previous order, we were supposed to vote at 3 o'clock. That is my understanding.

The PRESIDING OFFICER. That was the agreement.

Mr. MCCAIN. Mr. President, I yield back remaining time.

Mr. HOLLINGS. Mr. President, I yield back.

The PRESIDING OFFICER. All time is yielded back. The question is, Will the Senate advise and consent to the nomination of Rodney E. Slater, of Arkansas, to be Secretary of Transportation? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from South Carolina [Mr. THURMOND] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 6 Ex.]

YEAS—98

Abraham	Bingaman	Bumpers
Akaka	Bond	Burns
Allard	Boxer	Byrd
Ashcroft	Breaux	Campbell
Baucus	Brownback	Chafee
Biden	Bryan	Cleland

Coats	Harkin	Moseley-Braun
Cochran	Hatch	Moynihan
Collins	Helms	Murkowski
Conrad	Hollings	Murray
Coverdell	Hutchinson	Nickles
Craig	Hutchison	Reed
D'Amato	Inhofe	Reid
Daschle	Inouye	Robb
DeWine	Jeffords	Roberts
Dodd	Johnson	Rockefeller
Domenici	Kempthorne	Roth
Dorgan	Kennedy	Santorum
Durbin	Kerrey	Sarbanes
Enzi	Kerry	Sessions
Faircloth	Kohl	Shelby
Feingold	Kyl	Smith, Bob
Feinstein	Landrieu	Smith, Gordon
Ford	Lautenberg	H.
Frist	Leahy	Snowe
Glenn	Levin	Specter
Gorton	Lieberman	Stevens
Graham	Lott	Thomas
Gramm	Lugar	Thompson
Grams	Mack	Torricelli
Grassley	McCain	Warner
Gregg	McConnell	Wellstone
Hagel	Mikulski	Wyden

NOT VOTING—2

Bennett

Thurmond

The nomination was confirmed.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair notes that under the previous order, the President shall be notified of the confirmation of the nomination of Rodney Slater.

Mr. DASCHLE. Mr. President, Rodney Earl Slater is the right choice to become the next U.S. Secretary of Transportation. He has earned the unanimous vote by which he was confirmed. He has taken a remarkable path from a childhood of poverty to being selected to head the \$39 billion Department of Transportation. His hard work and talents have proven invaluable to every effort he has undertaken.

Rodney was born in 1955 in the dirt-poor Mississippi Delta. His first taste of hard work came early, when as a boy he picked cotton and peaches. He was recruited to play football at Eastern Michigan University, rising to become co-captain of the team.

His performance in speech class so impressed his professor that he persuaded him to join the college's debate team. He went on to become a national finalist in debate competitions. The coach of his college debate team described him well: "I knew way back then that here was a very disciplined, goal-oriented young man who was driven by his own competitiveness. He wasn't competing against other students. He was competing against his own measure of success."

Rodney Slater went on to an outstanding career of public service. He served several years in the Arkansas State Attorney General's Office. After 4 years as an assistant to then-Arkansas Governor Bill Clinton, he directed government relations for Arkansas State University.

In 1987, he was appointed to the powerful Arkansas State Highway Commis-

sion, making him the first African-American to hold the job. Five years later, he was promoted to chair the commission.

As Federal Highway Administrator since 1993, Mr. Slater has managed a \$20 billion annual budget in an agency with 3,500 employees and offices in every State. He tackled the politically difficult task of putting together the National Highway System, a 160,000-mile network of roadways. Stitching together that system involved painstaking negotiations with 50 State governments, regional transportation agencies, and city governments. Despite these difficulties, he won praise from all sides for his candor, political skills, and ability to work within the system to get things done.

Rodney Slater's nomination has drawn wide and bipartisan support. As President Clinton put it, he "was recommended by more people from more places in more ways for this job than any person for any position I have ever seen." He has won praise from leaders from both parties and both Houses of Congress. Senator JOHN WARNER, who chairs the Senate Environment and Public Works Transportation Subcommittee, described him best as "an effective partner with Congress."

As a true Arkansas traveler, Rodney has demonstrated he understands rural transportation needs. He has certainly become a good friend of South Dakota. When we needed help, in good times and bad, we knew we could count on him. South Dakotans are deeply grateful for his assistance, which we will never forget.

The nomination of Rodney Slater validates a life of hard work. He has earned this nomination. From his roots in rural Arkansas, he worked his way through college and law school. Here in Washington, he has rebuilt and expanded our Nation's highways and linked isolated communities to jobs and opportunities. He has built bridges both of steel and of goodwill to bring people closer together. He is the right person to help us meet the many transportation challenges we face as we enter the 21st century.

I supported Rodney Slater's nomination with enthusiasm. He fully deserved the unanimous vote by which he was confirmed.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

#### ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I ask unanimous consent that the recess be delayed in order for Senator GRAHAM of Florida and Senator SESSIONS of Alabama and Senator GRAMS of Minnesota

to speak, and following their remarks the Senate stand in recess under the previous order.

Mr. BYRD. Mr. President, reserving the right to object, I have a little speech I would like to make on a non-germane matter. It will take me maybe 15 minutes.

Mr. LOTT. Mr. President, I amend the request for the Senators that I mentioned, Senators GRAHAM of Florida, GRAMS of Minnesota, Senator SESSIONS, and the Senator from West Virginia to be able to speak, and that we stand in recess under the previous order after those speeches.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that when the Senate reconvenes at 4 p.m. today—and it looks like there may actually, in view of the speeches to be given there, not be much of a recess at all, but at approximately 4 p.m. Senator DURBIN will be recognized to offer an amendment to the pending constitutional amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. For the information of all Senators, the Senator from Illinois [Mr. DURBIN] will offer this amendment when the Senate reconvenes after our conference. He will then debate his amendment throughout the remainder of today's session as long as he needs. It is my understanding that Senator DURBIN will be willing then to vote in relation to his amendment on Monday, February 10, at 5 p.m.

I wish to say that we had been hoping maybe we did not need to have that vote, but in view of the fact that we are not scheduled to be in session next Friday and the funeral services are scheduled for Thursday for Ambassador Harriman, we do need to get as much work done as we can on Monday. So we will look toward having this vote at 5 o'clock on Monday and then votes early Tuesday morning, and continue on through the remainder of the week to accomplish as much as we can in terms of taking up amendments on the constitutional amendment and also confirmations that we hope to be able to move. We think we will have a couple more perhaps that we will be able to vote on in the next week.

So with that in mind, I would like to announce there will be no further votes today and the next rollcall vote is expected to occur at approximately 5 p.m. on Monday, February 10.

Mr. FORD. Mr. President, will the majority leader yield for a question?

Mr. LOTT. I will be pleased to yield to the Senator from Kentucky.

Mr. FORD. It appears that some of the nominees may not get out until Wednesday or so of next week without any problems but just because of when the next committee meeting will occur. Is it the majority leader's intention that if they get out, say, unanimously, without any opposition, and

have very little opposition, if any, here, we might waive the time and go ahead and try to vote before we leave here next week?

Mr. LOTT. Mr. President, as we have done on other nominees we have voted on, it would be our intent to do that. We want to get as many of them done as we can next week. We hope that perhaps we will reach a point where we can vote on the U.N. Ambassador's position, and we think there may be another one ready.

Mr. FORD. Secretary of Energy.

Mr. LOTT. All right. So if any of those will be cleared, we will try to get those up Thursday.

Mr. FORD. The only reason I asked, there will be kind of a time crunch, and I wanted others to understand we might get the committees to move their hearings up a day.

Mr. LOTT. Mr. President, the Senate will be in session on Friday of this week for debate on the pending balanced budget constitutional amendment. However, no votes will occur during Friday's session. It is my understanding that Senator WELLSTONE will be in position on Monday to offer two amendments to the balanced budget issue. It will be my intent to schedule those votes to occur after the weekly luncheons on Tuesday, February 11, somewhere between 2:15 and 3 o'clock.

I thank all Senators for their cooperation.

I yield the floor, Mr. President.

#### BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

The Senate continued with the consideration of the joint resolution.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Florida.

Mr. GRAHAM. I thank the Chair.

Mr. President, we as a Nation have come to an important crossroads in our history. We must decide whether or not we should alter our supreme and most respected document, the U.S. Constitution, to establish the principle of a balanced Federal budget.

As we all know, regrettably our Nation is deeply in debt and goes more so each year. The budget deficit has become a permanent fixture of our Nation's fiscal policy. While there are those who say we can without a constitutional amendment balance the budget, recent history raises serious doubts.

Mr. President, I should like to humanize this issue by putting it in the context of a family, my family. My father was born in Croswell, MI, in 1885—February 10, 1885, to be exact. When he was born, the national debt, after almost 100 years of American history, after having purchased Louisiana from the French, having fought the Revolution, the War of 1812, the Civil War, we had accumulated a total national debt on the day my dad was born of \$1.6 billion. If you took the population of the United States in February of 1885 and

divided it by that \$1.6 billion national debt, my father came into the Earth owing \$28. That was his share of the national debt.

I was born in November 1936. On that date, the national debt was \$33.8 billion. Between my dad's birth and my birth, we had fought the Spanish-American War, the First World War, and suffered a deep depression, which we still were in the midst of on the date of my birth. On that day, dividing the then national debt by the then population, I owed \$264. That was my indebtedness to the Nation at the time of my arrival.

My first child was born in January 1963. When Gwen was born, the national debt was \$310 billion. In 1963. That was not very long ago in the scale of life. And my daughter owed \$1,640. That was her share of the national debt as recently as January of 1963. And 27 years after her birth, my daughter Gwen had a daughter, Sarah. Sarah was born in 1990, and upon her birth the national debt, if you can believe it, had soared from \$310 billion 27 years earlier to \$3.2 trillion when my first granddaughter, Sarah Logan, was born. Sarah came into this world with a proportion of the national debt of \$12,830.

Since Sarah's birth, I have had seven other grandchildren, the most recent born in 1995. When those four grandchildren, triplet granddaughters and a grandson, Mark Ernest, were born, the national debt had soared again now to \$4.9 trillion, or they came into the Earth with an indebtedness of \$18,932.

Between my father's birth, with a \$28 indebtedness, to my youngest grandchild's birth, \$18,932 per person is what we have inflicted upon our children, our grandchildren, and generations beyond.

Such history has brought me to the conclusion that if we are to reverse this profligate policy, if we are to begin to return to the principles of our parents and grandparents, we, unlike they, must have the discipline of a constitutional amendment which will require that each generation assume responsibility for its indebtedness.

I make these observations not without recognition that we have made considerable progress in recent years in terms of gaining some control over our deficit. America reached its all-time high, in terms of an annual deficit, in 1992. In 1992 the national deficit soared to over \$290 billion in that one year. It took us 100 years to get to \$1.6 billion. In one year we had a deficit of \$290 billion.

This year, the estimate is that our deficit will be \$107 billion. So we have made substantial progress and I believe that President Clinton and the Members of Congress during this period deserve some recognition for the fact that we have pulled that line of deficits in a downward position, albeit still, each year, contributing substantially to our accumulated national debt.

But, despite this progress, current projections forecast large deficits into

the future. Our national debt is expected to reach not the \$4.9 trillion that it was in 1995, but \$5.4 trillion at the end of this fiscal year, by the end of September of 1997.

With this history in mind, and witnessing numerous attempts—many of which carry the names of Members of Congress—attempts and failures to enact legislation to force ourselves to meet the standard of a balanced budget, I believe the time has come to pass an amendment to the Constitution to mandate a balanced budget. It is unfortunate that we need a constitutional amendment to force us to do something that we ought to do voluntarily. However, a constitutional amendment is necessary to provide Congress and Presidents, today and in the future, with the necessary constitutional backbone to maintain a policy of a balanced budget.

I have long supported a balanced budget amendment. I am an original cosponsor of the current amendment that is before us this afternoon. I support an amendment as an important principle, both to maintain the momentum of the last 4 years toward reducing and eliminating the annual deficits, and to assure that, once we are at a point of balance, we will stay there. It is imperative that we not let this opportunity pass by, that we not lose the progress of the last 4 years. We must continue on a path toward a balanced Federal budget by the year 2002.

If I could speak in the context of my State of Florida, we have a unique interest in the outcome of this debate. Florida will continue to grow. It will be one of the fastest growing States in the Nation. Our population, which today is something over 14 million people, is projected to reach over 16 million by the year 2005. The benefits of a balanced budget amendment are national and numerous, but one of the most important benefits, as recognized by virtually all economists, is that a balanced Federal budget will lead to lower interest rates and increased economic growth.

Americans deserve the benefits that a balanced budget will bring and the people of my State, citizens in a State which each year must finance the consequences of growth—additional homes, schools, all of the things that a growing population requires—with money which has largely been borrowed, will benefit especially by the lower interest rates that a balanced Federal budget will bring.

If capital is readily available at reduce cost, virtually everything Americans do that involves borrowing money is easier and will have a positive financial impact on States with expanding population, such as Florida. Most States have a constitutional requirement for a balanced budget within their own fiscal houses. As a State legislator, and for 8 years as Governor of Florida, I operated with a balanced budget amendment to our State Constitution and with a balanced budget. I

can say from that experience that this requirement of a balanced budget in our State constitution, and the fidelity of generations of State officials to that objective, has served my State well. It will serve America well. I will support the specifics of this amendment because I believe that this specific amendment is better than the status quo, is better than the history of the last century. But I think we should not let this opportunity pass without striving for additional perfection in this amendment.

The U.S. Constitution appropriately is not amended frequently, or without the most serious considerations. Therefore, whenever its amendment is considered, we should give attention to the details of that amendment and strive to assure that we are leaving to future Americans the best possible statement of national policy. To this end, next week or as soon thereafter as possible, I will offer an amendment to the balanced budget amendment that will strive to accomplish four things.

First, it will eliminate almost \$2 trillion in the total debt that we will accumulate over the next 25 years under the amendment in its current form. Second, the amendment to the balanced budget amendment that I will offer will protect our Social Security trust fund. Third, it will stimulate economic growth. Finally, it will be honest with the American people, by being consistent with their expectations of what a balanced budget truly means.

The failure to pass a balanced budget amendment this year will be a great mistake. For too many years we have delayed the hard discussions until tomorrow. Mr. President, tomorrow has come. It is our generation's duty to assure that we pay our Nation's bills rather than asking our children and grandchildren to do so. It is our challenge to pass a constitutional amendment to establish as a national policy that each generation of Americans will balance its Nation's budget.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I cannot tell you how much I personally appreciate the distinguished Senator from Florida, his courage and boldness in standing up for the balanced budget amendment, which he has always done. He and Senator BRYAN are the two principal Democratic cosponsors of this amendment, and they have both worked very hard with us to try to bring this to fruition, not only on the floor but through the whole Congress. I want to personally thank him for his kind remarks, good remarks this day, and I look forward to the rest of the debate.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I am honored to rise to address this Chamber and I am reminded of the responsibility given to me by my fellow Alabamians. It is both an honor and privilege to represent the people of Ala-

bama, and I will devote all my resources toward ensuring that their best and most honest instincts are well served in this institution.

I am also delighted to have heard the remarks of the senior Senator from Florida. Those remarks are most pertinent and important for us all.

I think, also, I should note the great respect that I have for Senator HATCH and the work he has done on building a balanced budget amendment that is sound and that will be a good addition to our Constitution. It is a well-written amendment and it ought to be passed in its present form.

I think it is, indeed, appropriate that the first bill under consideration on the floor of the U.S. Senate, is the balanced budget amendment. The people of Alabama have made their support for this legislation clear, and I intend to do all I can to ensure that they have the opportunity to have this amendment placed before them for their ratification. Americans know through experience that Washington cannot be trusted to keep its financial house in order. This has been demonstrated to them by Washington's failure to balance more than one budget in the last 28 years. The 28 years of unbalanced budgets stacked right here before us demonstrate Congresses past history of failure.

Americans know the burdens of Washington's excesses are going to fall primarily on their children, a result which is unjust and unconscionable. They have reached the same conclusions that I have: Enactment of the balanced budget amendment is the only way Washington's tax-and-spend mentality can be curbed and provides the only way for integrity and accountability in Government spending. It will force us to honestly confront the issues and to make choices.

Someone has suggested we really don't need to amend the Constitution, the budget deficit is dropping. But in Judiciary hearings last week, Senator BIDEN, a senior Democratic Senator from Delaware, discussed that very point.

He noted at the time that the only reason, in his opinion budget deficits have been dropping is because of the fear that this body and the House, along with the President, would pass a balanced budget amendment. Without discipline, budget deficits will increase again at an alarming rate. That is why Senator BIDEN supported a balanced budget amendment.

The arguments in favor of a balanced budget amendment are not new. In fact, the concerns Americans raise today were advocated by our Founding Fathers, and none more vocal than Thomas Jefferson. Where today's families worry about the crushing debt that is being passed onto their children, Jefferson warned, and I quote, "Each successive generation ought to be guaranteed against dissipations and corruptions of those preceding."

And corruption it is. It is irresponsibility. It is a corruption of the highest duties and responsibilities of office in this Government that we fail to make the hard choices when confronted with competing priorities and simply adopt both priorities and pass that debt to our children.

During the first Judiciary Committee hearing on this bill, Senator ORRIN HATCH placed a debt clock before us. It graphically illustrated the point. Each second that passes sees another \$4,500 being added to our national debt. Think about that. The national debt is growing at the rate of \$4,500 a second, \$270,000 a minute, \$16,200,000 an hour, \$388,800,000 a day. This is in addition to the current national debt of \$5.2 trillion.

At this moment, our current debt is equal to a \$20,000 obligation being placed on every man, woman, and child in this country, and it is our children who will face the brunt of this problem. Make no mistake, the increases in today's debt will be funded directly by taxes levied on our children and grandchildren, limiting the opportunity for them to enjoy the same standard of living we enjoy. By continuing these practices, we are mortgaging their right to participate in the American dream.

Having paid no heed to Jefferson's advice, we have failed to protect our Nation from the dissipations and corruptions of the present generation. Indeed, we have violated the very principle of our founding: taxation without representation. We are, in effect, taxing future generations without their consent as a result of our own irresponsibility.

I would like to take a moment to reflect upon the tragic waste of resources that the interest on this debt is causing us. We lose \$800 million a day simply on interest payments. In fact, over the course of a fiscal year, we spend nearly as much money on interest payments as we do on the Nation's defense. For example, in the year 1995, we spent \$232 billion on interest on the debt and \$273 billion on defense. The money we use to pay the interest on the debt is money that could be diverted to other areas or simply returned to the American taxpayer. This is an intolerable waste of our resources. A balanced budget amendment would offer protection against a continued waste of our revenue resources.

A balanced budget amendment would also afford protection against another evil Jefferson foresaw: the inability of Congress to restrain its spending with any degree of self-discipline. When Jefferson warned, "Public debt is the greatest of dangers to be feared by a republican government," he did so because he could foresee that self-interested politicians could be expected to choose spending over restraint and responsibility. Our \$5.2 trillion national debt is a sad testament to that fact. Our inability to live within our means on the national level is unacceptable and adds to the increasing lack of con-

fidence the American public—who must live within its budgets—feels for its Federal Government.

On this point, I am reminded of a story arising at the time I served as U.S. attorney and attended a Federal Judiciary Conference. The attending judges were complaining because Congress was requiring sentencing guidelines that would restrict their ability to sentence. In fact, the guidelines mandated certain sentences for certain types of offenses.

At one point, a senior judge stated to the entire conference: "Gentlemen, the plain fact is, the U.S. Congress no longer trusts you to sentence."

The fact today is that the American people no longer trust the President or the Congress to bring their spending in order. They are insisting upon a balanced budget amendment to end the deficit, because it is a people's initiative.

A constitutional amendment is needed, I submit to you, because we have a systemic weakness. We have observed in the last 28 years, by these budget deficits here before us, that this Congress cannot be trusted. Our system is weak without fiscal discipline, and it is proper and appropriate for this body and the people of the United States to amend that Constitution and fix that systemic weakness.

A balanced budget amendment is needed to regain the people's trust, because the people know that there has not been a balanced budget since 1969, and they know that we are continuing to run budget deficit after budget deficit. They are skeptical of our ability to keep our promises, because they do not believe that we have the political will to keep them without a law requiring it. And they are right.

When Treasury Secretary Rubin testified before the Judiciary Committee, I asked him about the current administration's commitment to a balanced budget. I specifically asked him how he could commit to achieving a balanced budget in 2002 when neither he nor President Clinton would even be in office at that time, because under the Constitution, President Clinton will leave office in the year 2000. They cannot give an answer to that, and that is the point.

Mr. President, I was pleased to hear the President speak of the need for a balanced budget in his address to the Nation. But what needs to be remembered in this debate is that while the President may offer visions of a balanced budget, and he may offer timelines for achieving that goal, he will not be in office when the target date for the balance arrives and therefore cannot be held accountable.

In essence, the promises of a balanced budget are nothing more than illusory commitments. Simply offering a vision of balance will not guide this Nation to its goal. An efficient enforcement mechanism needs to be in place in order to ensure that a commitment to a balanced budget becomes a reality.

This is especially true when an administration proposes a budget in which much of the budget savings are backloaded with the supposed balance to be occurring in the years after they leave office.

Such "out-of-sight, out-of-mind" proposals are a shunning of responsibility and reflect the same business-as-usual thinking that has led us to the fiscal trouble we now face.

In truth, the only instrument capable of creating the kind of binding discipline needed to bring our budgets in balance is this amendment. While ending deficits may be tough for pork-addicted politicians and for inefficient Government agencies and departments, it will become much easier, once the people speak, with this amendment.

Remember, there will be economic benefits from balancing the budget, such as increased savings and lower interest rates. The American public would also be the recipient of another important benefit—that of greater political independence.

On this issue, former Senator Paul Simon, a Democrat from Illinois, and a supporter of the balanced budget amendment, has raised a significant and often overlooked point. During testimony before the Judiciary Committee, Senator Simon noted that limiting our ability to increase our debt will necessarily mean that we reduce the amount of our Nation's debt held by foreign governments.

He recounted a jarring story in which he was once approached by a Treasury official before an important pending vote on a Saudi Arabian arms sale. The official told him that if the vote failed to pass, the Saudis might stop buying bonds which finance our debt. This sort of economic extortion is intolerable. American policymaking is and should always remain the sole province of the American people's representatives, not foreign bondholders. As most people know, it is not a good idea to get into a fight with your banker.

The time to restore the American people's trust is now. We simply cannot afford to let this opportunity pass us by. As I campaigned throughout Alabama last summer I was struck by the unanimous and universal support this amendment enjoyed. Whether I was meeting peanut farmers in Dothan or teachers in Mobile, small businessmen in Huntsville or police officers in Birmingham, the support for this amendment remained constant and strong.

The broad-based support is not confined simply to Alabama but is also reflected nationally. Survey after survey shows that over 80 percent of the American public supports enacting a balanced budget amendment. In fact, support for this concept has already been powerfully demonstrated on the State level with 48 States having enacted provisions which restrict each State's ability to incur debt, including my home State of Alabama. And it works well.

Support for this amendment is so wide ranging that it transcends party

lines. I note with some interest that my predecessor, former Senator Howell Heflin of Alabama, and a Democrat, introduced a balanced budget amendment as his very first piece of legislation in 1979.

Further, bipartisan support was evidenced in last year's vote on the issue, a vote which saw Republicans and Democrats in both Houses come together to fall just one vote short of passage. The reason for this bipartisan support is clear: The American people demand and deserve an opportunity to consider and vote on this amendment. I trust in the judgment of the American people to assess this amendment's merits as well as its defects, and I encourage my fellow Members to trust in the American people's collective wisdom as well.

As I began this speech by quoting Thomas Jefferson, I would like to finish it by quoting another of our Founding Fathers, George Washington. I believe his words are applicable to our current debate. In his words:

\*\*\* whatsoever is unfinished of our system of public credit can not be benefited by procrastination; and as far as may be practicable we ought to place that credit on grounds which can not be disturbed, and to prevent that progressive accumulation of debt which must ultimately endanger all governments.

Mr. President, the balanced budget amendment does place our credit on "grounds which can not be disturbed" and would prevent future accumulations of debt. It has been 200 years since Washington uttered these sentiments. We have procrastinated long enough. The time to pass the balanced budget amendment is now. Thank you very much. Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I want to compliment the distinguished Senator from Alabama. When Senator Heflin left the Senate, I have to say that I personally felt very badly about it. But I think Senator Heflin, who worked very hard for the balanced budget amendment, would really have appreciated this wonderful set of remarks that the distinguished Senator from Alabama gave today. I want to compliment him for it.

Mr. President, as I understand it, there was a unanimous-consent request. I ask unanimous consent, if I can get this, that the order be Senator GRAMS, who I understand was supposed to go first, then Senator BYRD, then finally Senator DURBIN, who has an amendment that he will bring forward. I ask unanimous consent for that.

Mr. LEAHY. Reserving the right to object.

Mr. HATCH. With the right of the minority leader to come and speak whenever he desires.

Mr. LEAHY. Thank you.

Mr. President, I will not object, knowing the right of the distinguished Democratic leader, Mr. DASCHLE, to speak has been protected.

Mr. HATCH. Yes.

Mr. LEAHY. I know the distinguished Senator from Utah would do that in any event. I will not object. But I would like to make one comment after the order is entered.

The PRESIDING OFFICER (Mr. ENZI). Is there objection? Without objection, it is so ordered.

Mr. LEAHY. Mr. President, the distinguished Senator from Utah—if I might have his attention for one moment—the distinguished Senator from Utah and I have tried very hard to have speakers pro and con. It is my understanding that the distinguished majority leader wants this debate to go on for a few days, and as well it should.

Also, I understand the distinguished Senator from Utah wanted an opportunity for some of the new Members of the Senate to speak on this, as well they should. It is an important issue.

I urge those who do wish to speak to cooperate with the floor leaders, as they have. The distinguished Senator from Utah and I have been trying to do this informally—not through an order, but informally—to have one Member speak in favor of the amendment, one Member speak in opposition to the amendment, and go back and forth so the debate will bear relevance to the issue. I hope that all Senators will understand that and will work and cooperate with the two of us to make that possible.

Mr. HATCH. I thank the distinguished Senator. We will do that, except if the floor is vacant we will let whoever is here speak.

Mr. LEAHY. Of course. That is right. Mr. HATCH. Whether in opposition or a proponent of the amendment. So we will just work this out and work together. I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I commend the chairman, the Senator from Utah, for all the hard work he has done on this amendment.

Mr. President, it was 2 years ago I rose as a freshman Member of this body to express my strong support for a constitutional amendment to balance the Federal budget. "There is no question that Congress must pass a balanced budget amendment and send it to the States for ratification." That is what I said here on the Senate floor.

I thought that with the will of the American people behind us, at that time we had every reason to be optimistic about its passage.

Well, here we are again, 2 years later, debating the same question we debated in 1995. And I am here once again to call for the passage of the balanced budget amendment.

We have already heard many of the arguments in support of Senate Joint Resolution 1, and I will not use this opportunity to repeat them all. But let it simply be said that there are indeed many.

However, the release of the President's budget just this morning illus-

trates just how difficult it is to produce a balanced budget void of gimmicks and accounting tricks, and illustrates the very real need for the balanced budget amendment.

Mr. President, this morning we got a first glimpse of the President's budget for fiscal year 1998. After a quick review of this massive document, I must say my initial feeling has been mixed.

On the one hand, I am pleased that the President has agreed to many of our goals, such as a balanced budget by the year 2002, tax relief for American families, and Medicare reform, and a strong national defense.

On the other hand, I am very concerned about what I see as serious flaws included in the President's plan.

Let me begin my observations with the President's education proposals, which he described in his State of the Union Address as "My No. 1 priority for the next four years."

The President proposes \$51 billion for education spending next year. That is an increase of 20 percent, rising to nearly \$60 billion by the year 2002, a 40-percent increase.

This includes \$36 billion in tax incentives for education and training; \$5 billion for school construction; \$1.2 billion for a new reading program; and increased funding to connect schools to the Internet.

Mr. President, we all agree that there exists a strong correlation between education and steady economic growth.

Investing in the skills and abilities of the future U.S. work force will enable us to achieve and maintain high levels of knowledge and productivity in the workplace—helping to improve our standard of living and ability to remain globally competitive.

However, the core question is not whether the Government should invest in education, but how those taxpayer dollars should be spent—and, ultimately, whether more spending is the answer to our education problems.

The United States has outspent every other G-7 country in education and leads in the attainment of secondary and university degrees. Our total government spending in all levels of education as a percentage of GDP has increased from 4.8 percent in 1985 to 5.1 percent in 1993—the highest among the G-7 countries. Eighty-four percent of our population successfully completes secondary education—once again, that is the highest among the G-7 countries. Twenty-four percent of our population receive a college or university diploma, a percentage more than twice that of Germany, the United Kingdom and France. It is significantly greater than that of Japan.

Despite hundreds of billions of dollars in education spending and hundreds of Federal programs, American students continue to perform poorly compared to students in other countries, particularly in terms of basic science and math skills. The science

and math scores of our students are the lowest among Canada, France, Italy, Switzerland, Taiwan, and Korea. Our Scholastic Aptitude Test scores among college-bound students have barely increased over the last decade, and remain below those scores attained in the 1960's and 70's.

We are spending more and achieving less. Clearly, this proves that spending more money on education is not the solution. If it were, the United States would have long been No. 1 in the world in attaining academic success. Unfortunately, throwing more money at the problem appears to be this administration's only solution. The administration would do well to look at my State of Minnesota, where a recent study conducted by the St. Paul Pioneer Press showed that the school districts with the highest per-student spending produced test scores that were among the lowest.

The President's education plan fails miserably at addressing the real issues that face our Nation. This is unacceptable. We must dedicate ourselves to improving our education system, but we must do it right.

First and foremost, in my view, an honest education budget should be one that restores and revives our traditional values in American education: It should ensure our current resources are used efficiently; it must have incentives built into Federal programs to reward students as well as teachers who improve their performance; it must focus on improving basic science and math skills of our primary and secondary school students; it must ensure a crime- and drug-free learning environment; it must ensure that taxpayer dollars are actually helping educate our youth.

Now let me turn to the President's tax proposals. I am pleased the President has acknowledged the tremendous good we accomplish by allowing working families to keep a little bit of their own money through the child tax credit. The President has moved one step closer to the \$500 per-child tax credit my Republican colleagues and I have long been advocating, and we welcome him on board. However, there still exists a big gap between his proposal and ours.

First of all, the President's child tax credit has too many limitations. For instance, the President extends his tax credit only to preteen children, those under 13 years of age, taking away the tax credit dollars just when families need them most. In the President's budget, the tax credit begins at only a \$300 per-child for the first 3 years and is finally increased to \$500 in the year 2000. Moreover, the President's plan begins phasing out the tax credit for families with a combined income of \$60,000, with more limited credits for families making as much as \$75,000. Finally, the President's tax credit would not be available unless deficit reduction targets are met.

Now these limitations greatly dilute the purpose of child tax relief. The ex-

tensive debate we have undertaken in the past 2 years over fiscal policy has helped us understand that working families are indeed overtaxed. In fact, families today spend more on taxes than on food, clothing, and shelter combined. A \$500 per child tax credit—without limitation—is more appropriate and necessary to allow families to make more of their own spending decisions.

As a long-time advocate for tax relief, I would prefer a zero capital gains tax on all investment incomes. While I do applaud the President's proposal to provide a capital gains tax cut for homeowners, his plan is really just a small step forward. It is hard to justify the exemption of this type of investment gain from other investments, such as the individual who chooses to live in a relatively modest home and invest in stocks and perhaps the formation of a small manufacturing company. Why should those individuals be taxed more harshly than those who invest in a personal residence?

In my view, a general cut in the capital gains tax must be provided to encourage savings, and to treat all investors equally. The current tax system discourages national savings and investment, which will adversely affect our long-term economic growth. Fundamental reform is needed to change the system.

The President's budget includes tax cuts totaling \$98.5 billion, with most of it going toward the family tax credit, education tax subsidies, and expanded IRA's. However, the Clinton budget proposes new tax increases targeted at airline passengers, small and large investors, and the Nation's job providers totaling some \$76 billion. We can do the math ourselves: The President's budget leaves a net tax cut of just \$22.4 billion. I do not believe that is what the American people intended when they re-elected the President to a second term.

Another serious concern lies with the President's proposed new entitlement spending. If the President is serious about adding another \$60 billion in new entitlement spending, he must show us why we need new spending programs when we have yet to repair the ones we already have.

Finally, Mr. President, I remain concerned about the economic assumptions the White House has relied upon in drafting its plan, which are significantly more optimistic than the projections of the Congressional Budget Office. The President's budget has not yet been scored by the CBO. Once it is, it may very well be \$70 billion short of our deficit targets.

President Clinton came here to Capitol Hill just over one year ago and stood in the House Chamber to declare that, "The era of big government is over." I am afraid that sentiment is not reflected within the 2,418 pages of the President's budget. I had hoped for bold steps from the President in addressing the very real need to control the growth of the Federal Government.

But what we received today were more like baby steps, the first tentative wobbles of an infant. Under the President's budget, Washington will actually spend 3.5 percent more in the next fiscal year than we are today. While the President's budget appears to reach balance in 2002, more than 60 percent of his deficit reduction are slated to come after he has left office. Leaving those tough decisions not to the Clinton White House, but the administration of the Nation's next Chief Executive.

Mr. President, I commend the President for the blueprint he has prepared for us, and I look forward to working with him and my colleagues to improve on and implement these historic changes in our Government. In the administration's budget, we have before us a good foundation on which to build that bridge to the 21st century the White House is so fond of speaking about. But without addressing some of the serious concerns I have outlined today, I am afraid that bridge may collapse before we are able to cross it.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I thank the distinguished Senator for his remarks in this area.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

(The remarks of Mr. BYRD pertaining to the introduction of Senate Joint Resolution 15 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

#### AMENDMENT NO. 2

(Purpose: To allow waiver of the article in the event of an economic recession or serious economic emergency)

Mr. DURBIN. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois (Mr. DURBIN) proposes an amendment numbered 2.

On page 3, between lines 11 and 12, insert the following:

"The provisions of this article may be waived for any fiscal year in which there is an economic recession or serious economic emergency in the United States as declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

Mr. DURBIN. Mr. President, first let me thank the chair of the Senate Judiciary Committee for his cooperation in this effort. Though we may not see eye to eye on this amendment or the underlying amendment to the Constitution, he has been gracious and gentlemanly throughout. I appreciate that very much.

I would also like to salute the Democratic leader from that same committee, the ranking member, the Senator from Vermont, for extending the same courtesy, both personally and through his staff.

This is only the second time that I have taken the floor of the Senate to speak. And I consider it a high honor to follow the Senator from West Virginia. In the context of constitutional debate, I think we are all anxious to learn the views of the Senator from West Virginia because he reveres this Constitution, this great document, as much if not more than any other Member of the U.S. Senate.

In the course of the last 14 years I have served in the U.S. House of Representatives. I have cast about 7,000 votes. There were many important votes among them. The most important vote in my estimation was when I was called on to vote and decide whether or not the United States would go to war. I knew with that vote and the decision made by this Congress that lives would be lost. Husbands, fathers, sons, daughters, loved ones would put their lives at risk because of that vote. I do not think I cast a more important vote in my congressional career.

But immediately behind that vote I would have to put consideration of constitutional amendments. It is so rare that we in this body or in the other body have an opportunity to address amending this great Constitution that I hope we will all take it with a great deal of seriousness. Since 1791, 205 years ago, we have chosen to amend this great document only 27 times. Of course, the first 10, the Bill of Rights, were in that year, 1791. And each time an amendment has been suggested we have tried to step back and measure it against this Constitution, this document, and to determine whether or not that amendment or that suggestion really ranks with the importance of this great document.

This amendment that we are considering, the balanced budget amendment, is one that has been debated at great length. And it has been debated by many people of both political parties for a long period of time.

I hope that every Member of the Senate will come to this debate as I have with a new energy and a new determination to make certain that whatever we do in accepting or rejecting this amendment that it will bear the test of history, that those who come after us will judge us as having been thoughtful and reflective in determining whether or not this amendment belongs in this great document and whether this amendment will stand the test of time.

Mr. President, I do not believe that this balanced budget amendment as offered stands the test of time, and that is why I am offering an amendment today to address what I consider to be a fundamental flaw in the balanced budget amendment.

Mr. President, the balanced budget amendment that is before us today does not provide an adequate means for dealing with economic recessions or other serious economic emergencies that could unexpectedly throw the budget out of balance or require a fis-

cal response. It would tip the balance against working families and make it harder to help them recover from a recession or other economic emergency. In times of recession or economic slowdown it would force us to do exactly the wrong thing by making it more difficult for the Federal Government to respond to adverse economic circumstances. In the case of a regional economic downturn, or other economic emergency that fell short of a national recession, it would leave us unable to respond unless a supermajority of 60 percent or more agree to take action.

That is why I offer this amendment to allow Congress and the President to waive the requirement of a balanced budget in those times when our country is experiencing an economic recession or serious economic emergency. I do not stand alone with this point of view. More than 1,000 of the Nation's most respected economists recently joined together to condemn the proposed balanced budget amendment as unsound and unnecessary. And here are their words:

The proposed amendment mandates perverse actions in the face of recessions. In economic downturns, tax revenues fall and some outlays, such as unemployment benefits, rise. These so-called "built-in stabilizers" limit declines of after-tax income and purchasing power. To keep the budget balanced every year would aggravate recessions.

The more than 1,000 economists who signed this statement include at least 11 Nobel laureates and many present and former Government officials, including the former chairman of President Nixon's Council of Economic Advisers, current and former Federal Reserve Board Chairmen, and former Democrat and Republican Directors of the Congressional Budget Office. The group includes a friend of mine and a man I respect very much, Robert Eisner, professor at Northwestern University in my home State of Illinois who has a solid grasp of the economic ramifications of Government budget policies.

Most Members of this Senate, Democrat or Republican, would concede that our economy has moved forward in the last 4 years. Some credit fiscal policy emanating from the President and Capitol Hill, and others credit monetary policy from the Federal Reserve. I think it has taken both efforts to put this economy on the right track.

During the course of his testimony before our Budget Committee the Chairman of the Federal Reserve, Alan Greenspan, was asked point blank about the balanced budget amendment. And in the Chairman's words he said he was "opposed to putting detailed economic policy in our Constitution." This is a man who must on a day-to-day basis sit with his staff and cohorts and determine the course of the American economy. He is a man who is as dedicated to balancing the budget as any person in this Nation. He is someone who has made tough and difficult decisions time and again to put this

economy on track, and he has cautioned us that this is a mistake, a mistake for us to embody in this Constitution detailed economic policy, that we forswear the flexibility necessary to make certain that this Government of, by, and for the people can respond to the needs of the people in times of recession.

What these economists and Mr. Greenspan are warning us of is that the balanced budget amendment if not changed will exacerbate the economic slowdowns we experience. It will put our Nation into an economic strait-jacket that will make it hard to respond to economic downturns.

Let us talk for a moment about the mechanisms that work in our economy in times of recession. Tax receipts fall. Certain types of Federal spending increase. Consider the obvious, the plant closes in your hometown where workers who have spent a lifetime showing up every day doing their job and paying their taxes end up out of work, perhaps for the first time in their lives finding themselves drawing unemployment compensation from this Federal Government. Perhaps if things go badly for a family for a longer period of time, they may be called on to apply for food stamps to make sure there is food on the table, maybe even Medicaid to make sure there is hospitalization protection for members of the family, and then of course trying to find another job. They may need to call on the Government for job training courses or education to prepare themselves for another career; another opportunity.

What I have just described is not radical. It is a natural outgrowth of a free market capitalist economy with business downturns and with the vagaries of the business cycle leaving some families and some workers needing help.

The fiscal changes I have described that take place when the Government steps in are described as economic stabilizers because they kick in automatically in times of unemployment and recession, and they help the economy recover, as they help individuals get back on their feet. That is why Robert Greenstein from the Center on Budget and Policy Priorities described the effect of the balanced budget amendment in this way in his testimony before the Judiciary Committee:

In years when growth is sluggish, revenues rise more slowly while costs for programs like unemployment insurance increase. As a result, the deficit widens. Under a balanced budget amendment, more deficit reduction thus would be required in periods of slow growth than in times of rapid growth.

This is precisely the opposite—

The opposite, in his words—

of what should be done to stabilize the economy and avert recessions. The constitutional amendment consequently risks making recessions more frequent and deeper. In the period from 1930 to 1933, for example, Congress repeatedly cut Federal spending and raised taxes, trying to offset the decline in revenues that occurred after the great crash of 1929. Yet those spending cuts and tax increases removed purchasing power

from the economy and helped make the downturn deeper; they occurred at exactly the wrong time in the business cycle.

In Dr. Greenstein's words:

This is why a balanced budget amendment requirement is called "pro-cyclical." It exacerbates the natural business cycle of growth and recession. It also is why most economists who favor tough deficit reduction measures strongly oppose a constitutional balanced budget amendment.

Treasury Secretary Robert Rubin gave a similar warning when he testified before our Judiciary Committee. He said as follows:

A balanced budget amendment would subject the Nation to unacceptable economic risks in perpetuity . . . A balanced budget amendment could turn slowdowns into recessions, and recessions into more severe recessions or even depressions.

Mr. President, this would happen because the so-called automatic stabilizers in our economy that have been developed over the past 50 years to reduce the extremes of the business cycle and help avoid another Great Depression would remain inoperative by this proposed constitutional amendment.

I have a chart which I would like to bring up at this point.

This chart I think demonstrates graphically what I have described: What has happened in the business cycles of America from the year 1870 to 1990.

You will note that in our free market economy we have our ups and downs, but note the changes that took place after World War II. It is true that those spikes below the line still occurred, but they were not as deep as they had been before. You look back to the Depression, the Great Depression of 1929, you see the recession that we faced in the mid 1940's, but look at what happened afterwards. We have had our downturns, but they have been moderate in comparison.

These are something more than mere statistics. These reflect Americans working and out of work. They reflect businesses being forced to shut down. They reflect the misery that families feel when we go into an economic downturn.

Now, what happened at this point that caused such a great change for the 40 years reflected? We built into our economy certain ways to moderate recessions. Those moderations or stabilizers are Government programs involving Government expenditures. When our economy goes into a downturn, tax receipts are diminished, the opportunity to balance the budget is made more difficult, and we are called on at the same time to respond and spend.

So as tax revenues are going down, calls for expenditures to stabilize the economy go up. That is a recipe for an unbalanced budget. But it is also a recipe for stabilizing an economy, for ending a recession, for bringing people back to work, for giving small businesses a chance to survive, to say to family farmers it was a bad year but next year can be better; we are going to help you through this.

If we accept what this balanced budget amendment offers, it will become increasingly difficult for us to use the stabilizers that have kept America at work, have kept families together, have kept small businesses in business and family farmers on the farm.

That is what is at stake in this debate. The reason I have offered this amendment is to suggest that there is a more reasonable way to approach this. If those who support the balanced budget amendment want to make certain that this Congress goes on the record to make certain that we go on the record with a record vote and be held accountable when we do not balance the budget, my amendment requires that as well, but it does not require a supermajority.

In response to the claim by some that Congress could still easily respond to economic recessions with the balanced budget amendment, Secretary Rubin added the following comments:

You recognize recessions quite a bit after they have started. Predicting economic circumstances is well high impossible, in my judgment, at least with any degree of reliability. And under those circumstances you can be well into an economic downturn before you realize you have to deal with it, and—

In Secretary Rubin's words—

I think that is one of the very serious problems that the balanced budget amendment creates.

Why does it take time for us to recognize these recessions? The general working definition of a recession is that it is at least two consecutive quarters—a quarter being a 3-month period of time—of decline in real gross domestic product. It obviously takes 6 months to trigger this definition. So sometimes we have started into a recession moving below the line here, unemployment starting to show up and we do not see it. It is hidden to us until 3 months or 6 months later.

The more technical definition of recession also includes inherent lags. We have found that the decline in economic activity associated with a recession is not always widespread. Often-times it is confined to a sector of the economy or region of the country. We also find that sometimes these declines are cumulative in nature, not restricted to just 1 month or 1 quarter. Again, it takes time to measure these criteria.

So, as a general principle, what Secretary Rubin has said to us is we may not know we need to help until we are in the middle of our problem. There is a lag time, to accumulate and analyze data and recognize the decline that may have already started.

So how often do we face these recessions? Are they rare occurrences in the American economy? We have been blessed in recent years, but historically recessions occur very frequently. By the National Bureau of Economic Research's official determination, our Nation has experienced 9 recessions since World War II, 11 since the Great

Depression of 1929 to 1933, and 21 recessions this century, which means that roughly every 5 years we will face this recession.

The balanced budget amendment does not assume that this is going to happen. It assumes it will not happen. And if Congress is going to respond to this occurrence, which we know has been fairly regular, it requires a supermajority for us to spend the money to stabilize the economy.

In part because of the economic stabilizers that are now part of our economy, the average length of recession since World War II has only been 11 months compared to 18 months in the previous half century.

A recession is not just an abstract economic concept. It is lost jobs, lost wages, personal and family financial crises.

The Federal Government has developed many mechanisms to deal with it. I have mentioned a few: Unemployment compensation, Medicaid applications, food stamps and so forth.

Let me tell you a story that I think illustrates this as well as any that I could tell you on the floor of the Senate. In my hometown of Springfield, IL, we were blessed for decades with manufacturing plants which created good jobs, good-paying jobs for men and women who would come to work with a strong back, a good work ethic, and usually little more than a high school diploma. One of those plants was known as the Fiat-Allis plant. It was a plant organized by the United Auto Workers, producing heavy equipment and producing great jobs for a lot of families and a great boost to the Springfield economy.

Over a decade ago that plant closed, and hundreds of workers who had relied on this plant were thrown out on the street. You can repeat the example and story I am about to describe in virtually every city in America. This happens all too frequently. Let me tell you about one friend of mine who had worked at Fiat-Allis for years. His name is Bob Bergen.

Bob saw it coming. He had heard a lot of talk about the plant closing down. So Bob decided that he would do something about it. He went to the community college before the plant closed down and started taking courses in heating and cooling, thinking about opening his own business, furnaces and air conditioners and the like. So, when the plant did close down, Bob had a short transition, but one that he planned, drawing some unemployment, some trade adjustment assistance, finishing up his course work at Lincoln Land Community College, and ultimately opening his own business.

It worked. Our investment in Bob Bergen and his family paid off. We cushioned the shock of unemployment. We gave Bob an avenue to follow toward a new course of livelihood, and he took it. Now he is in business. In fact, he put the furnace in my home just a few years ago and does a pretty good

job now, and I am glad to call him a friend. His life and experience are illustrations of what I am talking about.

Imagine a recession closing down plants across this country and imagine this Congress, faced with the need to balance the budget to the dollar, being unable to provide unemployment compensation that Bob Bergen needed; being unable to provide the trade adjustment assistance that Bob Bergen used to keep his family together while he got his business started; being unable to provide job training, the scholarship assistance at community college, the things which people rely on in America to get back on track. If we are hidebound, tied to the provisions of this balanced budget amendment, and forget the Bob Bergens of the world and what it means to them, I think we have lost sight of our responsibility.

How much of a difference do these economic stabilizers make to our economy? Secretary Rubin testified, if you want to look at this in a larger context, "Without automatic stabilizers, the Treasury Department has estimated that unemployment in 1992 that resulted from the 1990 recession might have hit 9 percent instead of 7.7 percent." Statistics aside, Secretary Rubin tells us that would have meant 1 million more Americans out of work. We would have had 1 million more unemployed Americans, 1 million more families pushed to the economic precipice if our economic stabilizers had not been there.

These recessions also tend to be regional in nature. Proponents of the underlying balanced budget amendment argue that it contains an escape hatch that allows a waiver of its provisions by a supermajority vote of three-fifths of both Houses of Congress. But mustering a three-fifths vote is not always an easy matter. Millions of working families in America might have to suffer if we cannot come up with 60 percent on a vote to waive the balanced budget requirements in times of recession.

I recall, and I think most do as well, what happened not that long ago, in fact, just 2 years ago, when we were called upon in Congress to pass a debt limit, a debt limit which said we put our full faith and credit as a government behind the debt of the United States. It took only a majority vote to do that, and we could not bring it together. As a consequence, we faced some of the most serious shutdowns in our Nation's history. The Government shutdowns that occurred, two successive shutdowns, literally sent thousands of Federal workers off the job. The Government shut down not once but twice, a total of 27 days. The Office of Management and Budget has estimated that the overall cost of the shutdowns was more than \$1.4 billion. America knew it. More than 750,000 Federal workers were affected, some during the Christmas and Hanukkah season, including more than 250,000 who were furloughed.

During that period of the Government shutdown, 170,000 veterans did not receive their GI bill education benefits on time, 200,000 passports were not processed, more than 2 million people could not visit the Smithsonian museums and other facilities in the Washington area, and 7 million people could not visit their national parks. Mr. President, 1,300 workplace safety complaints went unanswered and 3,500 investigations involving pension, health, and other employee benefit plans were suspended. Delays were created in 250,000 cases trying to find deadbeat dads who were delinquent in their child support payments, and cleanup of hundreds of Superfund sites was delayed. All of this happened because we could not muster a majority, a majority vote, let alone a supermajority.

This balanced budget amendment will enshrine in our Constitution the requirement of a three-fifths vote in times of an economic recession to come to the rescue of American families. For those who think this is an easy requirement, it is rare in our Constitution to have any supermajority requirement and it certainly should not be imposed on people who, through no fault of their own, are victims of this economy.

My amendment brings the supermajority requirement of three-fifths down to a majority requirement. I think that is reasonable. It is still not going to be easy. Each and every person, whether a Member of the House or the Senate, must stand and justify that vote in terms of a recession, a national economic emergency, something that justifies slipping away from the balanced budget requirement that year.

I think we have to maintain flexibility to respond to recessions, disasters, and other economic emergencies in a timely fashion. I do not think we have to say, "I'm sorry, Mr. Bergen, I am sorry you have been laid off, but because of the balanced budget amendment, we are not going to be able to make the payments to you for your unemployment because we just have to balance the budget. We cannot help you when it comes to food stamps, we have run out of money. We cannot help your family when it comes to job training or Medicaid."

Think about that for a second. Is that fair to people we represent? Is that fair to this economy? Will it, in fact, result in these spikes going lower instead of moderating, as we have seen, as these stabilizers have been put in place? That, unfortunately, might be the verdict for Bob Bergen and others like him if this supermajority requirement allows 41 Senators or 175 Representatives to prevent a response that involves deficit spending.

Our Founding Fathers established only a few circumstances where supermajorities would be necessary for Federal action. We should not adopt a new supermajority requirement that prevents us from helping our most vulnerable and neediest citizens in times of

recession or other serious economic emergencies.

For all these reasons, I am offering an amendment to allow Congress to waive the requirements of the balanced budget amendment by a majority vote for a joint resolution in times of recession or serious economic emergency. My amendment will ensure that Congress can continue to respond to recessions and other serious economic emergencies with fiscal policies that will alleviate the pain of recession and shorten its duration rather than driving us deeper into economic stagnation.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Mr. President, I rise in support of the balanced budget amendment. I think it is one of the most important pieces of legislation we will be debating in this body, in this Congress. I might add, I appreciate the preceding Senator, Senator DURBIN, acknowledging, as he presented his amendment to the balanced budget amendment, his overall opposition to the underlying amendment to the Constitution. We are going to, I suspect, hear many amendments—several amendments at least—offered in the coming weeks, with the primary goal of ultimately defeating the balanced budget amendment to the Constitution.

As I said, I believe this is one of the most important pieces of legislation we are going to debate. The opponents of a balanced budget amendment argue that to compel Congress to balance the budget will forever damage and eliminate the ability to provide our seniors with the protection they have earned. Their plan—and we will be hearing more of it; we have already heard quite a lot—to exempt Social Security is nothing more than a risky gimmick. I say again it is a risky gimmick to put such an exclusion onto the balanced budget amendment. Their arguments are aimed at scaring the most vulnerable segments of our population.

In the last 2 years, in my experience in the House of Representatives and as I observe the deliberations in the U.S. Senate, we have seen a great deal of those efforts to scare those who are most vulnerable in our society. So I suppose it is not that unusual, as we enter a debate on the balanced budget amendment to the Constitution, to hear those who would frighten and those who would scare the most vulnerable in our society. They assert Social Security checks will be withheld because there will be no money left in the Treasury.

Mr. President, I ask unanimous consent that an editorial from the Arkansas Democrat Gazette be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Arkansas Democrat Gazette, Feb. 5, 1997]

#### BUDGETSCARE: HOW TO DEBASE A CAUSE

Bill Clinton doubtless wants to defeat the Balanced Budget amendment in the worst way which is just how he's going about it—by scaring old folks again. Yep, once more he's saying a proposed reform will put Social Security—Social Security!—at “grave risk.”

Now when have we heard that before? Only every time somebody tries to get the federal government to put its fiscal house in order. By now the clintonoids have made this simple scare campaign a fine art. First, scare the seniors; then scare 'em some more; then leave 'em petrified. And never, ever let the facts get in the way.

Despite its name, the Balanced Budget amendment would not keep Congress from passing an unbalanced budget. Instead, it just puts a slightly larger hurdle in the way. It would require a three-fifths vote of both houses of Congress to run a deficit. It's not an insuperable obstacle; most controversial business in the Senate already required a three-fifths vote—because that's what it takes to prevent a filibuster.

But here comes the president, warning that “disbursement of Social Security checks could cease or unelected judges could reduce benefits to comply with this constitutional amendment.”

Not very likely. Not very likely at all. The chances of Social Security checks being sequestered fall into the same range of probability as the Loch Ness monster posing for photographs. Both possibilities are great for scaring folks, but for little else.

Social Security is an entitlement written into law, it is not dependent on annual appropriations by Congress. It's recipients paid into the program, they're entitled to their checks—even if Congress doesn't approve a budget. It's automatic.

The federal government would have to go broke before one of those unelected judges the president uses as a bogeyman would have to decide what creditors got paid first. And recipients of Social Security would stand at the head of the line because their benefits are part of a separate law. Behind them would come all of the programs that are covered by annual appropriations—everything from education to the federal courts, from the Smithsonian to the space shuttle, and the multitude of grants for essentials like battery-operated grocery carts and solar powered cars.

All told, spending for these appropriated programs amounts to five times the size of last year's deficit, meaning that the government's default would have to be of Depression-sized proportions before Social Security might be threatened. And even then such a dramatic catastrophe isn't likely. Because this amendment has more escape hatches than an old-time movie serial.

The president knows the process. He has to know that Social Security isn't in the imminent danger he's conjured up. Once again he is playing to the darkest fears of the most vulnerable citizens in order to achieve a partisan end. Why, with all the arguments available to him, is Bill Clinton invariably attracted to the lowest common one? Some days it's as if he'll do anything but raise the level of public discourse.

A mere citizen can still yearn for a leader who, acting on principle, takes an unpopular stand without resorting to demagoguery. To make his case, such a leader would not paint a doomsday scenario of little old ladies starving in the cold, but would rely on reason supported by fact and informed by sober judgment.

About that misnamed Balanced Budget Amendment, he would say it would unneces-

sarily clutter the Constitution we all revere. He would explain that such an amendment would create an even more unwieldy process in a Congress already prone to procedural knots. Perhaps he would contend that the proposal for a super-majority is undemocratic. Or he could argue that while America is not a strict democracy, its citizens are loathe to depart from majority rule without a pretty darned good reason.

But these are all arguments that, unlike the usual scare tactics, would have to be patiently explained in order to carry the day. They would compliment the intelligence of the American people, not insult it. It's so much easier to proclaim that Social Security and the sky are falling. So, once again, William Jefferson Clinton has chosen to frighten any older citizens he can.

The result: Our president and head of state, an official who should be most responsible of all, introduces still more mistrust into a political system already overburdened with it. He encourages suspicion and cynicism—always corrosive agents in a system that relies on consent and understanding. In doing so, he tears at the fabric of the very constitution he claims to be defending.

Mr. HUTCHINSON. Mr. President, a part of that editorial says this:

The chances of Social Security checks being sequestered fall into the same range of probability as the Loch Ness monster posing for photographs. Both possibilities are great for scaring folks, but for little else.

I believe that is very, very true. Again, nothing could be a more risky gimmick to be put onto the balanced budget amendment than to exclude Social Security from the provisions of the amendment. It is attempting to replace the truth with fear.

The plain truth is that the President does not have the power to withhold appropriations, such as Social Security. Only Congress can give him that power. It is our responsibility to appropriate the funds necessary to carry out the domestic and the foreign policy programs of this Nation. In reality, the balanced budget amendment will ensure that money is there to spend.

Today, annual deficits and the national debt are the greatest threat to Social Security's existence. If we talk about the threat to the future of Social Security, let us not forget that the greatest threat is continued chronic deficits and an unwillingness or a lack of discipline and a lack of will on the part of the politicians of this country to bring our books into balance.

I believe this very vivid depiction of having 28 budget books stacked on top of each other is very clear evidence that the notion—as the President put it in the State of the Union Address—that we can just do it, we pass it and he will sign it, we will balance the books, will not happen, as we see with 28 budgets before us. It has to stretch the credibility of not only the executive branch but a Congress that is more inclined to continue spending on ever-expanding entitlement programs.

Since the 1930's, literally dozens of proposals have been made to require a balanced budget to limit the size or the growth of the Federal budget or public debt, or some combination of these ideas, including several very notable

recent efforts in 1990 and, again, in 1993. These have come in the form of bills, statutory efforts, and proposed constitutional amendments. An average, Mr. President, of more than 30 measures per Congress have been introduced in recent years.

I believe one reason that we have seen such statutory efforts and so many offers of various constitutional amendments is because many of those who occupy the Halls of Congress today, both at the other end of the Capitol in the House of Representatives and in the U.S. Senate, once served in State legislatures where they have the yearly annual experience of seeing their State budgets balanced. They came from State legislatures where there were constitutional provisions that required them to balance their budget, and they saw year after year after year that it could be done.

So when they came to Washington, they came with a determination, they came with a deliberation that we would have, in fact, that same provision embodied in the U.S. Constitution. But it has been frustrating. Year after year and time after time, we have seen those efforts defeated.

The opponents of a balanced budget amendment, I believe, are pursuing a campaign of deliberate disinformation. There has been and will continue to be an effort to distract and to divert the attention of the American people from the real issues that are at stake in the debate over a balanced budget and over a balanced budget amendment. The opponents would distract and divert the American people from the real threat to Social Security, which is chronic deficits and enormous accumulated debt. They would like the debate over the coming weeks to be about Social Security, but the debate is not about Social Security. The debate is about the chronic deficits that threaten the future economic stability of this Government and our economy in years to come. That's what it is about.

If you care about Social Security, you should care about a balanced budget amendment to the Constitution, because that is the best way of ensuring fiscal sanity being restored to our budget process. Without a credible, sustainable balanced budget, we will never have the money to pay out future benefits. It is just that simple. A balanced budget amendment needs economic prosperity that will produce revenues necessary to fund the program. With a balanced budget, the big spenders in Washington will not be able to target and, therefore, raid Social Security to pay for other programs.

Opponents of the balanced budget amendment will throw out, I think, any diversion to confuse the issue. They will use scare tactics. The truth is that excluding Social Security does nothing to secure benefits into the future. The President's own budget counts these surpluses to achieve his balance.

What if Social Security is excluded? Social Security will not be protected,

but between the years of 2002 and 2007, the deficit will appear \$700 billion larger. That means either a mammoth tax hike on American families, almost \$1,100 per year per household, or devastating cuts in important programs like Medicare, cancer research, Head Start, and environmental cleanup.

In the years since 1960, the budget has been balanced only once. Deficit spending during that period has increased the official national debt from less than \$284 billion to over \$5 trillion, and the 28 budget books that are stacked right over here give vivid evidence of that failure of Congress to discipline its spending habits.

Interest payments on the debt now consume about \$240 billion annually; \$240 billion annually just on interest to service the national debt. The \$240 billion that we are spending in interest payments is larger than the combined budgets of the Departments of Commerce, Agriculture, Education, Energy, Justice, Interior, Housing and Urban Development, Labor, State, and Transportation.

I suggest that if we have a commitment to education, then we ought to have a commitment to a balanced budget amendment to the Constitution to ensure that these exploding interest payments will finally be reined in. In the future, the debt problem will only get worse. The Government's current debt calculation fails to include the 10 to 20 trillion dollars worth of unfunded liabilities. These are promises to pay future benefits like Social Security, Medicare, Government employee retirement and other programs. In short, we will soon long for the days of \$200 billion deficits unless something is done, and that something should be the balanced budget amendment.

When you exclude Social Security, you derail the very purpose of the amendment. I was interested, as I listened to the deliberations of the House Judiciary Committee earlier this week on the balanced budget amendment, in the testimony of a former Congressman, my former colleague, Tim Penny. He referred to this gimmick of taking Social Security off budget and out of the unified budget as being the greatest money-laundering scheme in history, because future creative Congresses will find it not too difficult to begin to shift programs into the Social Security trust fund so as to circumvent the purpose and the goal and the intent of a balanced budget amendment to the Constitution. It is a loophole so large, not only can a truck drive through it, but tons and tons of red ink can flow through it.

Finally, the goal of such an amendment is to defeat the balanced budget amendment to the Constitution.

As I said, I am glad that Senator DURBIN acknowledged his underlying opposition to an amendment to the Constitution requiring a balanced budget altogether. So while he offers this amendment to the BBA, he still opposes the concept of an amendment requiring a balanced budget.

Secretary Rubin—who was quoted earlier this afternoon—Secretary

Rubin, when he testified before the House Judiciary Committee, was asked by my brother, Congressman HUTCHINSON, whether there was any balanced budget amendment that he could envision that he would be able to support? In other words, if you went ahead and excluded Social Security, or if you put in a recession provision, or if there were some other addition to a balanced budget amendment, was there any such amendment that Secretary Rubin or the administration could support? And when finally pressed, Secretary Rubin said no. He said he could not envision any amendment to the Constitution requiring a balanced budget in any form that the administration would support.

I think that really tells the story, that while there will be efforts to divert attention, while there will be efforts to distract the attention of the American people, all of the amendments that are offered are in the end ultimately being offered with the goal of defeating this very, very important amendment to the Constitution.

I want to put a human face on the balanced budget amendment. We can often become too consumed with who has political advantage in policy debates that we forget who sent us here and how it often affects them. Let me tell you about one of my constituents. Bob Boyd, a small business owner in Little Rock, is the kind of person who can speak to the importance, I think, of a balanced budget amendment to the Constitution.

Mr. Boyd was a delegate to the White House Conference on Small Business. During that time, he and the conference made several recommendations to President Clinton. The one proposal which received the most votes, more than any other policy recommendation by the White House Conference on Small Business, was for the adoption of a balanced budget amendment to the Constitution. Unfortunately, that proposal has only collected dust at the White House. But this was from the White House Conference on Small Business, the recommendation that received the most support.

When asked why so many of the conference voted on this proposal and voted for this proposal, Bob simply says:

... as a small business owner, we know the importance of the bottom line and [the] government doesn't, they have lost the principle of being responsible for their debts.

Bob said that the President told them "that small business is the engine that drives our economy." Unfortunately for Bob, and for all the small businesses in Arkansas and America, the national debt, and the taxes it needs to pay for it, are taking up all the fuel.

I strongly believe that ratification of a constitutional amendment is the only way to turn around this unending sea of financial debt. It is time to put the harness of the U.S. Constitution on Congress and the President. It is time to require these institutions to be more fiscally responsible than our predecessors have been.

I would just say again, as I conclude, Mr. President, that there is a fundamental immorality that goes along with chronic deficit spending. For decades and for generations of our history as a Nation, a constitutional amendment requiring a balanced budget was not necessary because there was an inherent fundamental belief on the part not only of our policymakers and our politicians but the people of the United States as a whole that spending more than you take in, whether it is your family budget or whether it is the Federal budget, is simply wrong. To transfer our spending in the form of debt to our children and to our grandchildren, for them to assume through higher taxes and through a lower standard of living, is simply wrong.

The intrinsic value, though, of the balanced budget amendment rests on a simple point—it affects every American. It will affect how and where we spend taxpayers' dollars. It will affect the process by which those decisions are made. Moreover, it will affect the real value we place on the taxpayers' money, when we are restricted in the ways we spend it.

The time has come for Government to learn how to work with less, how to see the citizen's money as being precious, and to permanently reduce its size so that its people's wealth can expand. I yield the floor, Mr. President.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Utah.

Mr. HATCH. Mr. President, I just want to take a second here and thank the distinguished Senator from Arkansas for his remarks that he has made. I do not know when I have been more impressed with a group of new Senators than I have now, unless it was the last time when we brought the balanced budget amendment up and lost by one vote, when all of the new Senators spoke together on the last one. I was just really impressed with that. And these Senators this year have been doing very well. I appreciate the Senator coming to the floor and making these cogent remarks. I thank my colleague.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, while the Senator from Arkansas is still on the floor—and while I indicate a different view than his on the amendment, I, too, join the chairman in complimenting him and the other new Senators who have spoken. When you think back to what your first speech was, it is nice to know it was on a major issue. So I compliment him for that.

Mr. President, I would note though that it is an important issue. That is why we should take it as serious as possible. We talked about amendments.

Senator DURBIN, the distinguished Senator from Illinois, has also spoken,

in one of his first speeches on the floor of the Senate, as eloquently and as completely and as logically and coherently as he used to speak in the other body. The Senator from Illinois has spoken of an amendment that he has offered. While we will not vote on it today, we will eventually vote on it to the balanced budget amendment. He also expressed his concern about the underlying amendment.

There is nothing inconsistent with saying that one does not want to amend the Constitution of the United States on this issue but will propose an amendment to the constitutional amendment as presented by the distinguished Senator from Utah and others. I think there is nothing inconsistent with this because all of us have a responsibility, however we vote, to try to make what is the final product as good as possible.

All Senators know that there are issues that come to this floor where we may have made up our mind how we would vote on the underlying piece of legislation, either for or against it, but yet we will be involved in numerous amendments before we get there.

I have voted against amendments on a bill when I finally voted for the final bill and vice versa. I have had legislation of my own that I have sponsored and have then supported amendments to my own legislation, amendments offered either by myself or other Senators. I have supported amendments to my own legislation offered by Senators from the other side of the aisle on major pieces of legislation on numerous occasions because while I thought I had brought a good piece of legislation to the floor of the Senate, other Senators brought up amendments that I realized, in listening to the debate, made that legislation even better.

I can think of various times during the years when I was chairman of the Senate Agriculture Committee, when I would have a farm bill, a major piece of nutrition legislation, and others on the floor—legislation that I had been the principal author of—and Senators on both sides of the aisle, both Republicans and Democrats, had come up with amendments which, after listening to them, I felt that they made the underlying piece of legislation better and voted for them.

I can think of a couple instances when I have had legislation on the floor where Senators have been very candid and told me they would not vote for my piece of legislation, but on the possibility it might pass they had an amendment which at least in their thought would make it better. It is a very legitimate thing to do. We debated those amendments. Some were accepted, some were not.

The underlying amendment, the underlying proposed constitutional amendment, is unsound economic policy and should be rejected for that reason. But you also go on the assumption that any piece of legislation may pass. It is the responsibility of each of us to

offer suggestions, if we have them, of how it may be improved. Senator DURBIN's amendment to waive this article in the event of an economic recession or serious economic emergency is right on point, and it does improve the legislation.

One should listen in that regard to the economic experts. More than 1,000 of the Nation's most respected economists, including at least 11 Nobel laureates, as well as a former chair of President Nixon's Council of Economic Advisers, the current and former Federal Reserve Board Chairman, former Democrat and Republican Directors of the Congressional Budget Office, all agree this amendment is unsound economic policy.

The distinguished senior Senator from the State of West Virginia [Mr. BYRD] held a news conference in which he released the signatures of more than 1,000 economists and had a number of economists, Professor Tobin and others, who pointed out why they felt this proposed constitutional amendment was bad economic policy. These economists, incidentally, were across the political spectrum. They all agreed that the proposed amendment would hamper the Government's ability to cope with economic downturns.

Economists and financial experts agree that this proposed balanced budget constitutional amendment will straitjacket the economy in hard times. It will hamstring the adjustment mechanisms that have been developed since the Great Depression to preserve jobs and restore the economy after a downturn.

Being opposed to the constitutional amendment is an entirely different thing than being opposed to a balanced budget. This Congress, under very strong leadership from President Clinton, has brought the deficit down 4 years in a row and is now going to go for the fifth year in a row. Certainly since I have been old enough to vote, no President, Republican or Democrat, has done that before. The deficit is coming down.

Were it not for the fact that we were now paying almost half billion dollars a day in interest on the deficits run up in President Reagan and Bush's budgets, we would not even have a deficit today. We would have a surplus, and we could start applying that surplus to the national debt.

I urge Senators to understand that people like the Senator from Vermont and others who have cast very, very difficult votes, politically unpopular votes to cut programs, to cut spending, to bring down the deficit, do not need to be shown a constitutional amendment that some day in the next century, the next millennium, it might have some effect. We can vote right now. As President Clinton said in his State of the Union Message, all it takes is our vote and his signature to bring down any deficit. We can do it now rather than saying, well, sometime in the next millennium, the year

2000-something, maybe there will be this untried amendment to the Constitution, only the 18th amendment to the Constitution since the Bill of Rights. Instead, we should have the courage to vote to bring the deficit down now.

Some of us in this Congress and the House and Senate have had the courage for 4 years in a row to cast those votes to bring down the deficit. I wish we were not paying that half billion dollars a day in interest from the doubling and tripling of the national debt during the 1980's. But to President Clinton's credit and the credit of those men and women who have voted with him to bring down the deficit, it is coming down.

Let us think about the flexibility you do need in difficult times. President Herbert Hoover, who was a great engineer and had many wonderful characteristics, but not a sense of the economy, felt during an early recession in his term that the most important thing he could do to bring about some confidence in this country was to take whatever steps necessary to have a balanced budget—basically taking the steps that would be required by this constitutional amendment. By doing that, it plunged this country into the worst depression it has known in its 200-year history.

If the economy today takes a downturn and Americans are losing their jobs as happened in the early 1990's, then this proposed constitutional amendment makes it more difficult for our Government to respond to the needs of working families.

As Treasury Secretary Rubin, a man who has proven by his own life that he understands the economy and economics, testified before the Judiciary Committee—and, incidentally, without any expert refuting what he said—Secretary Rubin said he thought "a balanced budget amendment would subject the Nation to unacceptable economic risk in perpetuity. \* \* \* A balanced budget amendment could turn slowdowns into recessions and recessions into more severe recessions or even depressions."

To date, no competent, recognized expert has come forward and refuted what Secretary Rubin said. Thus, the 1,060 economists and 11 Nobel laureates who are opposing the proposed constitutional amendment condemn it because the amendment "mandates perverse actions in the face of recessions."

I am deeply concerned about the impact the balanced budget amendment will have on jobs for working families in Vermont and across the country during times of recession. If I put a human face on it, I put a human face of 560,000 Vermonters. We are a fiscally conservative State. We find when we sell bonds from Vermont, they sell out virtually immediately because people know how we feel about keeping our books. We do not have a constitutional amendment to balance the budget in the Vermont State Constitution. What

we have are 180 Vermont legislators who treat every tax dollar as though it were their own. Governors, Republicans and Democrats, felt the same, who realized, however, at such time as Vermont, a small State, has gone into a recession, there are times it has had to spend some money to help us out of it as a responsibility to the people of Vermont.

I hate to think what might happen if we go into a deep recession and people are being laid off from jobs and are told, "Well, we cannot help out." There are none of the programs we normally see to ease recessions and get our economy going again. I realize it is 25 below zero in Vermont. I realize you have just been laid off from a job you have had for 15 years, but the various Federal programs that we started after the Great Depression cannot be funded.

As Secretary Rubin explained, the so-called automatic stabilizers in our economy would be ineffective under this proposed constitutional amendment. These are mechanisms that have been developed over the last 50 years to reduce the extremes of the boom-and-bust cycles. They are intended to prevent another Great Depression. They have proven effective over time.

Secretary Rubin testified:

"[W]ithout automatic stabilizers, the Treasury Department has estimated unemployment in 1992 that resulted from the 1990 recession might have hit 9 percent instead of 7.7 percent, which would have been in excess of 1 million jobs lost."

Some of these things that helped, when I think about 1988 and 1992, we were adding around 40,000 people a week to the food stamp rolls to help bring us back. In the last 4 years, we have been taking millions back off the food stamp rolls. It shows it can work.

The preamble to the Constitution and its stated purpose to "promote the general welfare, and secure the blessings of liberty to ourselves and our posterity," ought not be overridden by a constitutional amendment that denies jobs to hundreds of thousands of working families in hard times.

People talk about the Federal Reserve Board. Federal Reserve Chairman Alan Greenspan reiterated his opposition to the proposed constitutional amendment during questioning by Senator LAUTENBERG during his testimony before the Senate Budget Committee. Federal Reserve Chairman Greenspan urged the Senate Budget Committee to continue to eliminate the deficit. He did join Secretary Rubin and our Nation's leading economists in the conclusion that this proposed constitutional amendment places too many constraints on our economy.

This so-called escape hatch allowing a waiver of its provisions by a supermajority vote of three-fifths of both Houses of Congress is small comfort to America's working families, because many national recessions start out in different regions of the country. For example, the most recent recession hit New England first.

What if citizens of New England, who have fewer Members of the House of Representatives than other regions of the country, needed help? Or, conversely, what if a very populous region of the country suddenly had a recession? Do they become the only ones who can get help? Could New England get Senators and Representatives from other States, which are still experiencing good times, to waive the constitutional balanced budget requirement to help protect their livelihoods?

Prof. Robert Eisner of Northwestern University, a past president of the American Economic Association, understood the economic problems under this proposed constitutional amendment when he wrote:

One need only recall the near collapses, in recent years, of the economies in New England, California, and Texas. Who would bail them out if their own tax revenues again decline and there were surges of claims for unemployment benefits, food stamps, and general assistance?

One of the reasons for having this great Nation of 50 States is so that we can work together to help each other, knowing that if a tornado hits one part of the country and not others, or a recession hits one region and not others, relief would be available. Relief for economic recessions and emergencies has to be flexible. None of us can predict, and certainly cannot write into a constitutional amendment, when the next natural disaster will hit or the next recession will take place, because usually a swift response from the Federal Government is needed to aid State and local relief efforts. Economic emergency relief by constitutional supermajority mandate is a prescription for gridlock, not swift action.

It would make no sense—if there is a terrible earthquake in California, or awful flooding in the Midwest, or a drought in the Southeast, or a recession in New England—to say we can't do anything to help because we need a supermajority vote.

When your State or region is hit by a major recession or emergency, do you want critical Federal assistance to hang on the whims of 41 Senators or 175 Representatives? That is all it would take. We have 535 Members of Congress. All 535 Members of those bodies—save a critical 41—could vote and you may not be helped.

Our Founders rejected this requirement of supermajorities. We should look to their sound reasons for rejecting supermajority requirements before we impose on our most vulnerable citizens a three-fifths supermajority requirement to provide Federal relief from recessions and serious economic emergencies.

In fact, I urge some to go back and read "The Federalist Papers," read what our Founders wrote. I hope that all Senators have read them. But if they haven't, now is as good a time as any to add to your education, improve your mind, and acquire a sense of history. It is why Senators, for 200 years,

have resisted the temptation to amend the Constitution unnecessarily—17 times since the Bill of Rights, that's all. Surely, we have had more than 17 times in this country when we have had the urge to do it, when it has been politically popular to do it, when we could point to political polls of the moment that said 70 percent of the country wanted us to amend the Constitution. We have taken polling where people have taken our Bill of Rights—those things that protect us from unlawful search and seizure, protect us in our right of free speech and religion—there have been polls and studies done that would just break down the words and ask the people, and the majority would say, oh, no, we could not vote for that. Then they are surprised to find that it is in the Bill of Rights.

The Constitution should not be a prisoner of that moment's public opinion polls. The Constitution should be protected by the best instincts and the greatest sense of responsibility of every man and woman in the Senate and in the House. If we start voting by popular public opinion poll and not by a sense of history and not by what is best for the next generation, then we fail in our own responsibilities here.

Mr. President, I grew up in a family that revered the Constitution. I grew up in a family that understood the first amendment. I grew up in a family that knew that so much of what makes us Americans is in the Bill of Rights. In my public life as a prosecutor, as a lawyer and, more important, as a husband and a father, I have realized the advantages I have that no one in any other country has because of the protections in the Constitution. I also realize that those protections came because my predecessors, and all our predecessors in these bodies, resisted the temptation to amend the Constitution every time that it was popular. I hope we will not do it now.

The sponsors of this measure repeatedly outline the dangers of a budget deficit. We are all in favor of bringing down the deficit, as we have done for the last 4 years. But these sponsors have failed to address how the proposed constitutional amendment will provide for the flexibility needed in economic downturns, without holding working families and hard-hit regions hostage to a supermajority vote.

Senator DURBIN's amendment restores that flexibility by requiring a simple majority vote to respond to economic recessions and emergencies.

Whether you are for or against this constitutional amendment, we should take the effort to make it a better constitutional amendment. Certainly, Senator DURBIN's amendment does that, and it deserves our support.

Mr. President, I see my friend from Utah on the floor. Maybe he can give us some idea of what he plans to do with our lives for the rest of the day.

Mr. HATCH. I think we have a few more remarks. The distinguished Senator from Wyoming would like to

speak, and the distinguished Senator from Maine wants to speak. I could then wrap up, and that should end it for the day. Do you have anybody over there desiring to speak?

Mr. LEAHY. I will check. It would be your turn to go now. I will yield the floor so your speakers may proceed. And we will find out if there is anybody else on this side.

Mr. HATCH. I yield to the Senator from Wyoming [Mr. ENZI].

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I rise in support of the passage of the balanced budget constitutional amendment. Without that amendment, our children and grandchildren will be saddled with a mountain of debt. They will be left with no hope of fulfilling their hopes and dreams.

I feel that it is time to correct the misleading reports that have been put forth by many of the opponents of Senate Joint Resolution 1 over the past few weeks. Their arguments are not new. They have been the same arguments for the past 20 years—actually, for almost three decades Congress has failed to balance the budget. I am standing almost in the shadow of the mountain of budgets that don't balance. That failure has led to the current fiscal mess that holds us hostage.

But what has really kept us from a balanced budget amendment? The same old excuses and fear-mongering still prevail, scaring everyone from the children to the senior citizens of this country. The excuses take a little different form each year, but the same basic fears are still being played upon. The easy position to take is to continue spending the taxpayers money on feel-good programs instead of grappling with the tough issues.

The debt we are incurring for our kids amounts to taxation without representation. We are forcing people who haven't even been born yet to cosign on a note. A balanced budget constitutional amendment would tie the hands of the spenders in DC. It doesn't throw the baby out with the bath water. In fact, it is the life cord that connects the budget to the baby. It would protect generations yet to come.

A balanced budget will do away with the hidden taxes Americans pay in the form of higher interest rates. If we pass the balanced budget constitutional amendment now, a middle-class family could easily save \$1,500 a year. That is a nice raise. This is assuming a drop in mortgage rates from 7.7 to 5.7 percent, a drop in interest rates on a car loan from 9.2 to 7.2 percent, and decline in student loan rates from 8.5 to 6.5 percent. Interest rates should be 2 percent lower with a balanced budget.

How would the financial markets view the balanced budget amendment? According to many financial market experts, such as David Malpass, the more restraint on Government spending, the better the markets will respond. Part of the reason for the bull-

ish market is merely the suggestion of a balanced budget. Laws enforcing a balanced budget would perpetuate a bullish financial market. Currently, interest rates are low and the economy is healthy, due again in part by Congress and the President getting serious about balancing the budget. All of these positive trends are occurring as a result of just the possibility of balancing the budget.

What about the claim that a balanced budget amendment would hobble our economy in a recession? First of all, there is a clause in the amendment that would allow Congress, by a three-fifths vote, to spend more than it takes. In an emergency situation of three-fifths vote would not be difficult to attain. Financial experts agree that recessions have occurred at times due to Federal mismanagement of monetary, tax, or regulatory policies. Mistakes are usually made when the Government intervenes too much in the private sector. The amendment has a built in method that allows the Federal Government to quickly react to these types of glitches.

The economist John Keynes knew that Government should attempt to create a surplus in the good times and that Government must borrow during bad times. The problem with our situation is that Congress is borrowing during the bad and good, wartime and peacetime, national emergency or no emergency. Look at where we are now. We are supposed to be having the best economy in years—with a focus on re-inventing and downsizing government, a huge reduction in military expenses, and a Congress and President that want to balance the budget. We lack the will and discipline, however, to ultimately balance the budget before the end of the 20th century.

We have had commission after commission study this issue to sheer boredom. We all know that revenue is up right now for Social Security. We are also well aware that the program will start running a deficit in 2013. Let's not make political hay out of Social Security. Let's start dealing with reality.

Opponents of the amendment want Social Security exempted or taken off budget. It is catchy wording that some senior citizens have bought hook, line and sinker. It has absolutely no consistent meaning to anyone and it provides a false sense of security. There is a vague feeling that "off budget" means that we don't want to cheat on Social Security and damage the ability to support our seniors.

I say right now that nobody wants to damage Social Security. Nobody wants that to happen. Everyone, including me, wants to protect senior citizens. It is absurd to say otherwise.

Right now Social Security is a partial pay-as-you-go system. The people paying Social Security taxes are paying for the people who are retired today. It is not a fully funded system. It doesn't build up a trust fund. It's a bunch of IOU's. There is no secret vault

stacked full of Social Security funds. The revenue from Social Security is invested into Government-backed securities like Treasury bills. To disregard Social Security plays games with the budget. It would require an additional \$80 billion match up front. Later, when baby boomers reach retirement, the fund will go broke without an enormous infusion of funds from our children and grandchildren. An amendment is not just for the next 8 years.

It is for that time when there is an extra burden on Social Security.

As the only accountant in the U.S. Senate, I believe that in order to ensure stability and longevity of Social Security, we need to go to a modified accrual system of accounting for each of the trust funds.

We need to talk also about Medicare and the other trust funds, not just Social Security. It happens to be the only one that fits with the argument of the opponents.

This accrued system would assure that the moneys coming in match up—at some point in the critical near future—to the time that the money has to go out. A modified accrual method would show that any surplus revenue for this year's budget is already committed further down the line.

I believe we should pass a balanced budget amendment even though the growth rate of the deficit is falling without the amendment. The budget deficit is expected to rise from \$107 billion in fiscal year 1996, to \$124 billion in fiscal year 1997. This is not a reduction in the size of the deficit. Some are praising the progress in reducing the deficit. We aren't reducing the deficit or the national debt. I don't know where their numbers are coming from. They sure aren't coming from the Congressional Budget Office. But if we move toward a balanced budget by fiscal year 2002, a fiscal dividend of about \$34 billion is in sight.

The Clinton administration and a number of Members of this body have already begun a reign of terror on the American people regarding the balanced budget amendment. Members of the administration have criticized the amendment by claiming it is unenforceable. These attacks are not only unfounded, they represent a sad critique on the administration's view of fulfilling its constitutional obligations.

On January 7, I swore a solemn oath to preserve, protect, and defend the Constitution of the United States. All of my colleagues in the Senate and the House have taken this same pledge. President Clinton took the same oath on January 20. This is one of the most serious pledges a person can take in his or her lifetime. It binds all Members of the Congress and the President to follow all the provisions in the Constitution. If the balanced budget amendment was added to the Constitution, we would be bound by our most solemn oath to pass a balanced budget in each and every fiscal year.

For the administration to criticize this amendment as unenforceable is a

very serious charge indeed. Does the President intend not to fulfill his constitutional duty to preserve, protect, and defend the Constitution by delivering a balanced budget proposal to Congress before each fiscal year? Is the administration insinuating that Members of the Senate and the House of Representatives are willing to blatantly violate the clear language of our Constitution which they took an oath to uphold and defend?

I do not share the Clinton administration's cynical view that our constitutional officers will openly and flagrantly flout their solemn duties. If we pass the balanced budget constitutional amendment, I have every confidence that Members of this noble Chamber as well as our friends in the House will take their oath to defend the Constitution very seriously. We will balance the budget because we have sworn to uphold the Constitution. We will balance the budget because we desire to leave our children and grandchildren a legacy of hope and prosperity instead of the horror of a \$5.3 trillion debt.

I want to stress that the enforcement of the balanced budget amendment will rest first and foremost with this Congress. Under section 6 of the balanced budget constitutional amendment, Congress must pass implementing legislation to enforce this amendment. This provision indicates that it will be primarily Congress—neither the President nor the Federal courts—which will provide the means of enforcement. Claims that this amendment will result in new powers of Presidential impoundment or judicial involvement in the budgetary process are unfounded. These are nothing more than further attempts by the amendment's detractors to sidestep the serious obligation we all have of safeguarding the financial future of our Nation, and our kids and grandkids.

I urge my fellow Senators to join me in voting for Senate Joint Resolution 1, the balanced budget constitutional amendment. This will be a giant step in restoring responsibility to our Government, and it will demonstrate to future generations that we were willing to act responsibly in the most serious of our tasks. And if we do not balance the budget, we become the longest running game show with the lowest ratings in history.

Mr. President, I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Wyoming for the excellent remarks he has made here on the floor today. I have really been appreciative of the new Senators coming and talking about this because each and every one of them is a prime cosponsor of this amendment. What a change that is from two Congresses ago when we lost this by three votes, one Congress ago by one vote.

I am very grateful to have had the good people we have listened to all day today. It makes a lot of difference to me.

I am happy to yield the floor.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, I rise to add my voice to those of my distinguished colleagues who have spoken in favor of a balanced budget amendment to the U.S. Constitution.

It is not surprising that with a national debt which is \$5.3 trillion and still growing this debate is awash in statistics, each more staggering than the last. As someone who ran for office to fight for more opportunities and better jobs, I find the costs in those areas of our chronic failure to balance the budget to be particularly troubling.

In light of the President's call for a crusade for education, one of the more telling statistics is that last year the Federal Government spent about \$240 billion to service our national debt, an amount that is almost eight times greater than the amount we spent on education. Think about that. If we had been operating the Government without debt, we could have spent nine times more on educating our children. Now, that is what I call a crusade.

Whatever the long-term benefits to the public sector from balancing the budget, they pale in comparison to the benefits to our families. The Concord Coalition has estimated that had we not run deficits for the past two decades, the average family's annual income would be \$15,500 higher. Looked at prospectively, the General Accounting Office has said that we will increase per capita income by 26 percent over the next two decades if we balance our budget.

These are not partisan statistics, just as this is not a partisan issue. The numbers I have cited to demonstrate the enormous costs of our past fiscal failures can be found in a recent letter to the editor from former Democratic Senator Paul Simon, a leader in the battle for a constitutional amendment, whose 22 years of congressional service ended before the goal to which he was so deeply committed could become a reality.

The economic evidence that favors a balanced budget is overwhelming. But one legitimately may ask how I make the jump from the need for a balanced budget to the need for a constitutional amendment mandating a balanced budget. That is a political not an economic issue but the evidence is equally as overwhelming.

The simple fact is that the road to our huge national debt has been paved with good intentions. We have had the Deficit Reduction Act, the Gramm-Rudman Act, the Budget Enforcement Act, and yet we still have deficits. The old saying that "We have met the enemy and it is us" has never been more applicable.

As a freshman Senator, I do not sit in judgment on my predecessors and say

that I would have done it differently. I know the pressures on Washington to spend money, even borrowed money. By and large, each Congress sets out to be fiscally responsible, but our national debt still grows. The truth is experience has taught us that even in good times we need the discipline of a constitutional amendment.

To those who say that this issue does not rise to the level of constitutional protection, I respectfully disagree. It is the unique genius of the U.S. Constitution that serves to protect our people and their property from the excesses of their Government. It is difficult to imagine a greater excess, at least in the realm of property, than a debt burden of more than \$5 trillion. The legacy we are leaving our children and our grandchildren, many of them not yet born, is taxation without representation in its most egregious form.

As I said earlier, this is a debate in which there has been no shortage of statistics and no shortage of speeches, but buried somewhere beneath that pile of numbers and mounds of rhetoric is a very simple principle. That is that all of us, including the Congress of the United States, must be personally responsible for our actions. In the context of the budget, personal responsibility means not spending what is not ours to spend.

The 104th Congress struck a strong blow for personal responsibility in its welfare legislation. It told able-bodied welfare recipients that they could not live off the efforts of others; that they would have to earn their own way. For those who grew up in a culture of dependency, this was a harsh message. But it was the right message because responsibility for one's own actions is the core of the American effort.

I think it important that the Congress and the President not hold themselves to any less of a standard of personal responsibility. During the past quarter century, a culture of dependency has developed right here in the U.S. Congress, and it is reflected in our dependency on the money of future generations. In each of the past 27 years, we have borrowed from our children and our grandchildren to buy things for ourselves, building up an immense debt with no end in sight.

The legacy we are leaving, however, is not just financial. It is a legacy of excess, of taking advantage of those who cannot protect their own interests, of practicing not deferred gratification but, rather, deferred responsibility.

I recognize that deficits are sometimes unavoidable and that, indeed, they are sometimes critical to finance wars or to get the economy moving out of a recession. The balanced budget amendment would still permit deficit spending in the event of war, recession, or other emergency, but deficit spending today is no longer a tool carefully used by Congress and the President to respond to emergencies. Rather, it has become a permanent feature of our fiscal landscape.

Just how permanent deficit spending has become is reflected in the staggering fact that if every man, woman, and child in this Nation brought all of their currency to Washington, DC, it would not be enough to pay off our national debt. Those who argue that we do not need a constitutional amendment to solve this problem are simply ignoring our fiscal history.

I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I believe I will be the last to comment today, and I deliberately waited to the end to allow some other speakers to have a turn, but we do have an amendment which has been filed by the distinguished Senator from Illinois [Mr. DURBIN], and I do believe I need to make a few remarks about that. But I do not intend to take too much time here.

Senator DURBIN has offered an amendment to the balanced budget amendment that would allow for suspension of the balanced budget rule in times of "economic recession or serious economic emergency." I wonder what those words mean. Some words, when placed into the Constitution, can have almost any meaning.

The very purpose of this provision of the distinguished Senator from Illinois is to make the balanced budget amendment easier to waive. Instead of trying to find ways to avoid fiscal responsibility, we ought to be working toward passing a strong balanced budget amendment that will help us to keep out of recessions in the first place.

As an initial matter, any definition of "downturn" is malleable and could be abused by any future Congress bent on deficit spending. This amendment is no different. Trying to deal with a concept as loose as an economic downturn without even an attempt at defining terms can make this a loophole you could drive a truck through. It will not be long until a convoy starts rolling through. Furthermore, there is a loophole within the loophole, because the amendment does not limit the waiver in any way, such as to amounts related to the emergency.

Under this provision, even during times of significant national growth, certain regions may experience an economic downturn which might give Congress a reason to trigger this waiver, whether we actually need to borrow to respond or not. Or there could be a general feeling of "economic anxiety," or a perceived sense of anxiety felt in Washington about the economy. We can create anxieties about anything around here. For instance, I am very anxious about these 28 years of unbalanced budgets that are represented by this stack of budget submissions right here. We have had people worrying all day that these volumes might fall off and crush somebody. I just hope it is not us. But the debt burden they represent are crushing the American people.

Year after year of unbalanced budgets and all we get from the other side is, "All we need is the will to do it, to balance the budget." This President says we are going to do it by the year 2002, but he's going to do 75 percent of the balancing in the last 2 years according to the budget filed today. Give me a break. It is just more of the same. That is why we are here.

I don't think it takes any brains to figure this one out. It is a no-brainer to know that these people who file these amendments do not want any balanced budget amendment, they do not want any constraints; they want to keep spending just like they always have. We have plenty of unbalanced budgets around here. We have done it for 28 years straight, and actually for the most of the last 60 years. We just put 28 budget submission volumes up here because we thought to stack up our budgetary failures any higher would be truly dangerous. In fact, I am not sure this little table will hold this throughout the whole debate.

Let me say this. Even during times of significant national growth, under this proposal of the distinguished Senator from Illinois, we could have a waiver of the balanced budget amendment during times of economic boom, just when we should be balancing the budget or running a surplus.

I believe the general three-fifths waiver already provided for in the balanced budget amendment strikes the right balance. It will allow Congress to waive the balanced budget rule during times of real need, but it will prevent those who are simply trying to find an easy way out of a budget crunch from strapping even more debt onto the backs of our children and future generations. The general three-fifths waiver provision will give Congress an incentive to plan ahead, rather than to borrow and spend in good times and bad, just like we have up to now, and then when things get tough, just go borrow some more. That is what we do. This is a recipe for instability.

You will find the people who bring these amendments by and large are people who were never, never going to vote for a balanced budget amendment. But they will do anything to stop it, anything to stop us from having to live within budgetary constraints.

Mr. President, this amendment is based in part on the largely rejected notion that increased borrowing will help us out of a recession. Fred Bergsten, a noted economist who had testified in support of the balanced budget amendment in past years, suggested the better way to go is to shoot for a yearly surplus, and let that take care of any truly automatic fluctuations and any truly pressing needs at that time, if there are any.

Further, financial market experts have stated that increased borrowing and spending is not a cure for recessions. The better way is to get Federal spending and borrowing under control, which will make for a stronger, more

stable economy, which will help us avoid economic problems in the first place.

We should learn from other countries in the world that are trying to "spend their way out of recession." Several European countries and Japan have been trying to do this lately. The result has been continued recession and even larger debt. On the other hand, a number of the world's up and coming countries are enjoying booming economies while keeping their national budgets in balance or even surplus. Perhaps we should be more concerned that we do not spend ourselves out of prosperity. I think we ought to think about that. Are we spending ourselves out of prosperity?

One commentator has wryly stated that the theory of borrowing and spending out of a recession "is the game plan that propelled Argentina and Bolivia into economic superpower status in the 1970s." That is pretty sarcastic, but I think a pretty good comment.

The balanced budget amendment in no way prevents us from running a reasonable surplus which could be used to offset the effects of an economic downturn. This surplus would allow us to use fiscal policy within the balanced budget rule better than we can now without it.

Even if we were to drop below balance using the intended rainy day surplus, the balanced budget amendment has anticipated this sort of need. A three-fifths vote in Congress will allow the balanced budget amendment rule to be suspended for a year. That way we have the flexibility to run reasonable deficits if we need to. The three-fifths requirement makes sure we do not waive the amendment unless it is a true need and not just an attempt for us to avoid making tough choices, which is something that goes on here all the time.

So, we do not need any exceptions or loopholes. What we need is a strong balanced budget amendment as a mechanism in the Constitution to help us to get to a balanced budget. We should be less concerned about when we can spend more and more concerned about when we must spend less.

Some say we are spending less. We have been hearing a lot in just the last 2 days about what a wonderful job we have done in reducing the deficit. Of course, we do not hear much about the fact that so long as we still have a deficit, our debt is increasing. In fact, we are not spending less. You would think a \$107 billion deficit was a wonderful nirvana-like state. Only in Washington do we celebrate a reduction in the increase in the debt as an achievement, only here in this surrealistic place where we have these surrealistic budgets, all of which were unbalanced for 28 straight years, some of which were proposed to be balanced budgets but were not. None of these since 1969 have been balanced.

Another fact we do not hear much about is even though the economy is

doing fairly well, we are still in a deficit. Opponents of the balanced budget amendment keep talking about how the deficits are related to the economy. It seems to me, that given the current health of the economy, the budget should be balanced right now. But of course it is not. And of course the blame must be Mr. Reagan's or Mr. Bush's.

Give me a break. The Reagan tax cuts actually produced 40 percent greater increase in revenues. What really cost us were two things, part of which was President Reagan's fault. One was the increase of strength to our military. But, on the other hand, I think most commentators now will give President Reagan credit for having brought down the iron curtain and having ended the cold war. But the other side of that equation was, during all of Reagan's 8 years, and all of Bush's 4 years, the House of Representatives where all money bills originate was controlled by liberals. In particular, during the Reagan years it was Tip O'Neill who led the liberal onslaught against the budget. Even though Reagan cut taxes and reduced marginal tax rates, and revenues actually went up—not as high as we would have liked, but they went up some 40 percent—even though that happened, the liberals in Congress were spending us into bankruptcy. That, coupled with the increase in the military, of course, did get us to the point where we are.

(Ms. COLLINS assumed the chair.)

Mr. HATCH. It is an old expression that the time to save money is when you have it. If this economy is so good, as some of our colleagues are saying, Madam President, why do we not have a balanced budget. Why? Because it is easy to spend other people's money in good times and bad. That is why we need to correct Congress' spending bias with a constitutional amendment.

This country has enjoyed some remarkable economic progress in the latter half of this century, and yet the United States has borrowed ever more money, despite the fact that most of those years were both peaceful and prosperous. So when people hear the opponents of the balanced budget amendment talk about needing to spend more in recessions, they should consider whether we have spent less in prosperous times. Of course, we have not. The debt has simply gone up higher and higher. It now stands at over \$5.3 trillion.

Let me just take a moment to illustrate just how big that is. This chart shows, if you were to lay the debt of \$5.3 trillion in \$1 bills end to end on a road, they would stretch 514,283,460 miles. Were you to drive to the end of that road traveling an average of 500 miles per day at 65 miles per hour, it would take you 2,818 years. You would have to drive along the road paved with dollar bills for 500 miles a day at 65 miles an hour for 2,818 years.

That gives us a little understanding of how big the debt is. Two thousand

eight hundred and eighteen years is somewhat difficult to comprehend, so let me put it in more descriptive terms.

Had the legendary founder of Rome, Romulus, gotten on his horse in 753 B.C. and started down that road of dollar bills at a rate of 500 miles per day, he would still be some six decades away from reaching the end of that road. In the course of his travels, he would have circled the globe more than 20,000 times.

That is our debt. It is no longer cyclical. It has become a permanent structure in Washington. It even has its own Government office, the Bureau of Public Debt. I am not kidding; that office really does exist. Our deficits have not been countercyclical, they have been counterproductive.

What we need is to change the way Congress thinks. Only a requirement with the strength and staying power of a constitutional amendment can make that change. Only the balanced budget amendment can get our fiscal house in order and keep it there.

Before we are done with this debate, we will likely see amendments to exempt certain programs, exempt certain groups, and waive the balanced budget amendment whenever the times get tough. But this is precisely the type of thinking that has brought us 30 straight years of deficits and a \$5.3 trillion national debt.

The way to avoid the hardships of recession is to pass a strong balanced budget amendment and get our runaway deficit spending under control. That will take some guts. Because it is tough, you will see all of these amendments to try and protect one constituency after another. The fact is, we have to keep all the budget together and approach it in an intelligent and thoughtful way. And those programs, like Social Security, that are so justifiable are better than capable of competing, and they will compete well. Some of the programs that are not quite as good—all of them have some merit—but some that are not quite as good may have to have some changes. All of our budget has to have some changes if we are ever going to get the budget and economy of this country under control and save the future for our children and grandchildren.

Madam President, I ask unanimous consent to have printed in the RECORD an excellent editorial by the Investors Business Daily of today's date entitled "Perspective: Balanced-Budget Blather," as well as an excellent editorial by Bruce Bartlett entitled "Dangers that Don't Hang in the Balance."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### BALANCED-BUDGET BLATHER

Without deficits, recessions would be longer, deeper and harder to pull out of, the common wisdom says. Treasury Secretary Robert Rubin echoes that in opposing a balanced-budget amendment. But it's not true.

The idea that deficit spending could smooth out the rough spots in a business

cycle comes from John Maynard Keynes. Recessions, he believed, started when all the buyers in the economy suddenly stopped spending.

Sellers usually respond to such a decline in demand by cutting output and jobs, rather than cutting prices, the Keynesian view went. That threw more people out of work, and further reduced aggregate demand.

Only government could turn this cycle around, by pumping money into the economy. It did so by hiring people for public works programs, for example.

But because the government collects less in taxes during recessions, those public programs had to be paid for with debt, Keynes argued.

The evidence shows that public works programs have done nothing to solve recessions, a 1993 article by economist Bruce Bartlett in *The Public Interest* magazine pointed out.

Spending packages aimed at fighting recession have never been enacted before a recession ended on its own, as the chart shows.

In fact, Congress often enacts these packages the very month the recession is over. They are usually nothing more than pork-barrel spending dressed up as compassion.

Recessions are usually defined as two straight quarters of falling GDP. So no one actually knows a recession is happening until six months after it starts. No one knows it's over until three months later.

Even then, it takes Congress time to pass a law for extra spending. And it takes still more time for that money to make its way through the economy.

So even if Congress could tell when a recession was starting—unlikely, given the records of most economic forecasters—it still wouldn't have more than a small effect.

And Keynes was wrong not just in practice, but in theory as well.

He based his whole theory on the notion that government experts acted rationally, while the average person did not. Central planners could know enough and act quickly enough to save people from the consequences of their own bad decisions—clearly not the case.

There are programs, such as unemployment insurance, that kick in automatically when recession hits, without having to wait for Congress to act. The amount those programs actually increase during recession could be easily handled within a balanced budget, however.

Between 1980 and 1984—which includes years of deep recession—real spending on jobless benefits rose \$47.4 billion above its level in 1979, an economic peak. That increase was just 1% of government spending over those four years.

Recession have been less severe in the postwar period, many economists argue, largely because of the greater role government has played in easing recessions. But it is not certain that they are less severe, and it is even less certain that this is due to government.

On the surface it seems true. From 1920 to 1938, recessions averaged 20 months, with a 14.2% decline in real GNP. Since 1948, they averaged 11 months, with 2.4% drop in real GNP. Unfortunately, it's hard to compare the two periods, because the prewar data are quite crude.

National Bureau of Economic Research economist Christina Romer, in an key 1986 *American Economic Review* article, tried to compare apples with apples. She adjusted the more recent data so that it was calculated much like those of the prewar period.

And she found the evidence of a change in the length, frequency and severity of business cycles was weak.

Even if recessions are less severe, it may have little to do with government. The growing importance of the service sector, where

employment tends to be stable, could be one reason. And technology has helped ease the sharp boom-bust cycle of the farm and factory sectors.

Legitimate gripes about a balanced-budget amendment are easy to come by. But Rubin's is not one of them.

## TOO LATE

End of recessions	Date of anti-recession legislation
Apr. '58 .....	Apr.—July '58.
Feb. '61 .....	May '61—Sept. '62.
Nov. '70 .....	Aug. '71.
Mar. '75 .....	Mar. '75—July '76, May '77.
Nov. '82 .....	Jan.—Mar. '83.
Nov. '91 .....	Nov. '91—Apr. '93.

Source: The Public Interest.

# DANGERS THAT DON'T HANG IN THE BALANCE (By Bruce Bartlett)

Treasury Secretary Robert Rubin strongly opposes the Balanced Budget Amendment to the Constitution. His main concern is that it will hamper the government's ability to respond to an economic downturn. While this is a valid concern, it is overstated. Congress can always abandon the balanced budget requirement by a super-majority vote, which it certainly would do in the event of an economic crisis. More importantly, however, there is no evidence that deficit spending has been necessary to recover from past rescissions.

It is undeniably true that Congress always passes some sort of anti-recession legislation every time there is an economic slowdown. But the history of such legislation is that it always comes too late to do any good. In fact, the date that anti-recession legislation becomes law often corresponds to the very date that the recession ends. More frequently, the legislation comes well after the recession's trough. And since the actual spending does not come into effect immediately, it has always been the case that anti-recession spending did not impact on the economy until long after the recession's end—sometimes many years afterward.

The table illustrates this point, looking at every major postwar recession as defined by the National Bureau of Economic Research. As one can see, there is not a single case in which anti-recession legislation was enacted in a timely fashion, so as to mitigate the economic downturn. In fact, one can argue that such legislation may have made matters worse. By overstimulating the economy during upturns, it may have sown the seeds of future recessions.

The problem is that for anti-recession spending to work, forecasters would have to see a recession coming. Legislation would have to be enacted into law well in advance, and programs implemented so as to coincide with the beginning of the downturn. These are virtually impossible requirements to meet. Forecasters seldom, if ever, accurately predict turning points in the economy. And if they could, it is doubtful that they would be persuasive enough to convince Congress and the administration to act in time. And even if they did, it usually takes a year or more to get programs implemented and money flowing.

Thus it is absurd to argue that the Balanced Budget Amendment should be defeated because it will hamstring the government's ability to respond to economic downturns. All recessions really do is give politicians an excuse to enact pork-barrel public works programs in the name of mitigating the recession. If the amendment prevents such wasteful spending it will serve a useful purpose.

## DATES OF RECESSIONS AND ANTI-RECESSION LEGISLATION

Beginning	End	Legislation
Nov. 48 .....	Oct. 49 .....	Oct. 49.

## DATES OF RECESSIONS AND ANTI-RECESSION LEGISLATION—Continued

Beginning	End	Legislation
Aug. 57 .....	April 58 .....	April-July 58.
April 60 .....	Feb. 61 .....	May 61, Sept. 62.
Dec. 69 .....	Nov. 70 .....	Aug. 71.
Nov. 73 .....	Mar. 75 .....	Mar. 75, July 76, May 77.
July 81 .....	Nov. 82 .....	Jan.-Mar. 83.
July 90 .....	Nov. 91 .....	Nov. 91, April 93.

Source: The Public Interest (summer 1993).

Mr. HATCH. Madam President, there will never be a time when we have a true economic need and a true economic emergency that we will not get a three-fifths vote. As a general matter, whenever we needed it for unemployment compensation, whenever we needed it for emergencies, there has always been more than three-fifths. That requirement of consensus to borrow, which allows for flexibility but not complete laxity, is the value of this amendment and the strength of this amendment.

So we can't just do what our friend from Illinois would like to do, and that is to just have a nebulous set of terms that would allow this Congress to do whatever it wants to about spending in the future. What we are trying to do is establish some restraints and get this place under control.

This constitutional amendment's approach is a bipartisan approach. It is not a Republican approach; it is not a Democrat approach. It has taken a lot of us working together year after year—in my case, over 20 years now—to get this bipartisan amendment, the only one having a chance of going through, and everybody knows that. So hoping for a version more to one's liking is no excuse not to vote for this. Everybody knows this is the amendment. We are hopeful this amendment will pass intact and be sent to the House, and if it receives the required votes in the House, it will be a great day for America.

I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you, Madam President. I rise to speak on the balanced budget amendment to the Constitution.

Madam President, I am a liberal. I also support a balanced budget amendment to the U.S. Constitution. To some, this might appear a contradiction in terms. To others, including my predecessor in office, Senator Paul Simon, it is as logically consistent as the classical definition of "liberalism," and I quote: "Belonging to the people; giving freely; generous; tolerant of views differing from one's own; broad-minded; favoring reform or progress as in education; favoring political reforms tending toward democracy and personal freedom for the individual; progressive."

Those are all definitions to be found in Webster's New World Dictionary of a "liberal."

It is precisely because I believe in this definition of liberalism that I be-

lieve the balanced budget amendment is necessary. Chronic budget deficits and cumulative national debt currently threaten to undermine our ability to act in the public interest.

Budget deficits make it much harder for our country to focus on what is really important: the objectives we want to achieve. Only by balancing the budget will we be able to reclaim our country's ability to decide to make important investments in our communities, such as fixing crumbling schools, investing in mass transit, providing pension security, ensuring that our airways are safe, or caring for the poor.

Unless we take a long-term view of budgetary problems and require permanent fiscal prudence, the Federal Government will be forced to spend its resources on paying interest to bondholders, rather than on addressing the priorities of the American people.

In the name of intergenerational fairness—fairness to these young people who are here as pages and their generation—in the interest of intergenerational fairness, we need to keep in mind the needs of the next generation, not just current short-term issues.

While we want to be able to respond to the next emergency and to the next one, not telling the truth about the budget and not making the tough choices required forces us to continue to try to finance our future with debt. That accumulation of debt, however, will make America less competitive and less able to respond effectively to future emergencies and future priorities.

Because of persistent deficits and a huge national debt, the value of what Government is doing is being lost. Social Security, Medicare and Medicaid, for example, have reduced poverty among the elderly to the lowest levels since statistics first started being kept. Social Security has administrative costs of less than 1 percent of benefits paid, and Medicare has administrative costs of less than 3 percent of benefits paid, both far better in terms of administrative costs than their private counterparts.

These programs account for almost 50 percent of all noninterest Federal spending, and they have made it possible for literally tens of millions of Americans to enjoy a secure, healthy retirement, and they have helped increase longevity.

The Federal Government has also built the Interstate Highway System, set aside national parks and created a space program that put men on the Moon, and will soon begin a space station.

We financed an American military that won the cold war, and we went to the Persian Gulf and achieved victory at the lowest possible cost in American lives.

In short, Madam President, Government can work. But Government successes are being swallowed up in interest costs that were only 40 years ago

about a penny out of every dollar and now today are 15 cents out of every dollar, and growing. Is there any wonder that Americans felt more prosperous in the 1950's and in the 1960's than they do today?

The balanced budget amendment will not undermine the value of what the Federal Government does. The balanced budget amendment will help clear out that undergrowth of debt, making room for more investment in the values that we hold dear.

According to the Congressional Budget Office, the Federal Government is right now spending \$684 million every day for interest payments on the national debt. That is \$684 million that could otherwise be used for Head Start, for housing programs, for our battle against crimes or drugs or to repair our crumbling school infrastructure. And \$684 million a day is a resource hemorrhage that we, as a nation, can ill afford.

In fiscal year 1996, we spent \$241 billion to service our national debt. The national debt, as you no doubt have heard, is now \$5.2 trillion, and it is growing. We cannot allow these trends to continue unchecked. If we do not act now, if we wait until the country is on the brink of financial ruin, we will have totally failed our obligation to the American people and to our country and our children, and the next generation will pay the price for that failure.

Madam President, I served on the Bipartisan Commission on Entitlement and Tax Reform. One of the conclusions that was made clear there was that unless we get the deficit under control, by the year 2003 mandatory spending, which is entitlements plus interest on the national debt, by that year they will account for fully 73 percent of the total Federal budget. These few programs already consume almost two-thirds of Federal resources. So domestic discretionary spending, that is to say, the kinds of things we appropriate here, will be frozen out altogether if we do not get a handle on the continuing deficits.

Even though, Madam President, the current economic news is generally good and the economy continues to expand, we know that markets go up but then markets also go down again. So the trend, given the changes in our country and the demographic changes, is not likely to continue.

A recently released Congressional Budget Office report entitled, "The Economic and Budget Outlook: Fiscal Years 1998-2007," points out:

Despite the improved outlook through 2007... the budget situation will start to deteriorate rapidly only a few years later with the retirement of the first baby boomers and the continued growth of per-person health care costs.

Madam President, the demographics of our time are something that we have to come to grips with. I like to tell people that this year alone a baby boomer will turn 50 every 9 seconds. So we are

aging as a population. That is impacting on our budget situation and the decisions that we here in the Congress have to make.

By the year 2012 the Social Security trust fund will begin spending more money than it takes in. By the year 2029 the trust fund will have exhausted all its resources. After 2012, when there are no more surpluses, Federal deficits will really begin to explode, an explosion that will be fueled by the looming retirement of the baby-boom generation.

It is true that for the next 15 years Social Security will be running a surplus. It will be taking in more than it spends. I agree that the existence of these annual surpluses does make the consolidated budget deficit look smaller in the relative short run. But that surplus is a temporary phenomenon. After 2012 Social Security will begin consuming that accumulated surplus.

Madam President, the temporary or the permanent nature of the surpluses perhaps would not be important if it were actually possible to decouple Social Security completely from the rest of the Federal Government. Social Security, however, is intimately related to the rest of the Government as long as the Social Security system invests in Treasury bonds.

Right now the Treasury Department is selling U.S. Government bonds to the public, both here and abroad, and to the Social Security system. What that means is that whether Social Security is part of the budget or not, the Treasury Department will be selling exactly the same amount of bonds to the public, including those sold to the trust fund. And it is the amount of bond sales to the public that is the real measure of the Federal deficits in any given year.

The unbreakable connection of an even theoretically off-budget Social Security system to the rest of the Federal budget will become even more clear by the year 2012 when the Social Security trust fund ceases to take in more money than it pays out. After that year, Social Security will begin cashing in its Treasury bonds. So whether Social Security is on budget or not is irrelevant, frankly, to the fact that the Treasury Department will have to find the cash to pay off those Treasury bonds.

There are only three basic ways that that can be done: issuing new bonds to the public, thereby increasing the Federal deficits in those years; raising taxes by the amount necessary, which is another option; or cutting spending on other programs by the amounts needed. I hope we never have to get to making those Draconian cuts. I believe that passing the balanced budget amendment will keep us from having to make those choices under that gun.

Madam President, taking Social Security out of the budget, therefore, does nothing to make our long-term budget problems either better or worse. It does nothing to protect Social Secu-

rity from the rest of the budget because, again, Treasury bond purchases and sales continue to bind Social Security tightly to the rest of the budget. Perhaps most important, it does nothing to protect the long-term future of Social Security. The only way to protect the long-term future of Social Security and to keep the important Social Security contract with the American people is through reform of that system.

Madam President, the balanced budget constitutional amendment will not solve these problems overnight. What it will do, however, is force the Congress, the President, and the American people, to face the truth about the budget, all of it, both on the revenue and on the expenditure side of the equation.

Unless we get the deficit under control, we will be leaving to our children and to our children's children a legacy of debt that will make it impossible for them to achieve the American dream. We owe it to our children and their children to get our fiscal house in order now. If we fail to do so, our legacy to future generations will be one of greater problems and diminished opportunities.

Madam President, I come from a working-class family. The availability of public education made it possible for me to get advanced degrees. I have no doubt that without the commitment of my parents' generation to create a national community which would nurture my talents, I would not be here today speaking to you as a U.S. Senator. It saddens me that it is harder for a child to get a quality education or for a teenager to pay for college or for a young couple to have a single wage earner outside the home today than it was a generation ago.

The recent dismantling of our national commitment to support poor children is just the beginning of the chilling effect that these chronic budget deficits will have. We are faced with making hard choices by which this generation will define our national community. That is again why I support this amendment.

But, Madam President, whether we look to the future or look to the past, the arguments in favor of passage of the balanced budget amendment are compelling.

As one of our Founding Fathers, Thomas Jefferson, stated:

We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.

This proposition is as true today as it was when he stated it centuries ago.

Madam President, our country's debt did not emerge from a national emergency nor from some massive Federal initiative to build roads or educate children or to create jobs for poor people. It came in peacetime and, frankly, largely while no one noticed. When a national consensus against chronic deficits did emerge, it came after the debt had reached historic proportions.

Madam President, we should have known better. George Washington, in his farewell address warned the Nation:

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasion of expense, but by exertions in times of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burdens which we ourselves ought to bear.

Again, Madam President, sage advice from the Founding Fathers did not, could not, overcome the pressures of the political and demographic realities of our times. Legislators are often judged by constituents on their ability to—you may not have this expression in your State. But we do in Illinois—"bring home the bacon" whether in terms of actual pork barrel project specific spending or in terms of across the board program funding. Each and every constituency wants its share. Each has legitimate rationale for its demands.

However, these constituency demands must be seen in the long term and overarching context of our responsibility to the public interest. The demographic changes the future holds will mean more demand, not less, for health care and retirement security, at precisely the time that changes in technology and the global economy requires more, not less, investment in education, transportation, and infrastructure. The confluences of these trends which government does not control make more important than ever that we make decisions about those things we do control. Passage of the balanced budget amendment will force a discipline in our decisionmaking which may well be the only force great enough to counter the institutional force in favor of secret spending.

I am not keen about tinkering with the Constitution. Happily, the Founding Fathers envisaged the periodic popularity of constitutional amendments, and required absolute consensus in the process. I hope the balanced budget amendment is one of the few to make it through the Congress and ratification by the States.

There have been amendments to the Constitution proposed for just about everything in recent years. I hope, however, that this one which had been suggested at the time of the Constitutional Convention, that this one finally makes it through.

Now, Madam President, critics of the amendment have argued or warned us that a balanced budget amendment could worsen economic recessions or downturns. The amendment, however, contains a safety valve for just this sort of situation. The safety valve would allow Congress to provide for a specific deficit by passing a law with a three-fifths vote in each House; the same vote, I point out, that is required

to waive the Budget Act. I believe in the event of an emergency or a recession, Congress would be able, would be anxious to obtain a three-fifths majority to enact a countercyclical package of tax cuts or investment spending to counter the economic downturn. The requirement of the three-fifths majority, however, will ensure that the creation of a specific deficit is done with deliberation and care, and is not a casual occurrence.

This safety valve also applies to fears about risks of default. Should outlays exceed receipts and if our country were faced with a situation where we were in danger of not being able to pay interest on our debt, Congress could respond with a three-fifths vote to increase the debt. However, this dilemma could be avoided if Congress and the President followed the tenets of the amendment and actually balance the budget, or, better yet, establish a rainy day emergency fund.

Madam President, an economist friend of mine who I had dinner with argued passionately that we should not be concerned about the debt because after all it is money that we owe ourselves. After all, the interest is paid on Treasury bonds, so reduced to its essentials, it is money that is recirculated in other ways. I do not dispute that point. However, it seems to me that recycling large and growing amounts of taxpayer money to bondholders represents a real problem that we ought to face up to, as well. We are putting off the books and out of Congress' control, scarce resources which are then no longer available for our national priorities.

My friend also argues, further, that the balanced budget amendment does not allow for capital investment. Again, while most States that have a balanced budget amendment do provide for a separate capital budget, the balanced budget amendment that we are considering here today does not preclude Congress from enacting capital budgeting at the Federal level.

Another criticism is that should a three-fifths vote be necessary, it would be difficult for Congress to obtain the votes to address emergencies. Again, the need to achieve a three-fifths vote majority is not a foreign concept to this Congress. In the Senate, 60 votes are required to invoke cloture on a bill. Sixty votes are also necessary to waive the enforcement provisions of the Budget Act. In each case, the 60-vote mark is achieved or negotiations and compromise to develop an alternative way of proceeding.

One might point out now the way we obtain the majority necessary to raise the debt is for both parties to get the votes from their Members. Taking out partisanship is no less necessary under a 60-vote margin. On the important issue of approving more debt, three-fifths is large enough to assure the decision is made with due deliberation but not so large that a minority in either House can deadlock the Government.

Critics also claim that a balanced budget amendment poses enforcement problems, and I will for a moment address that. For instance, there are fears that disputes would go to the courts. I believe that elevating the balanced budget amendment requirement to constitutional status will, in and of itself, be enough to guarantee that it will be upheld. Every Member of this Congress has taken an oath to uphold the Constitution of the United States. The American people expect, as they have every right to, that the officials to whom they entrust the Constitution will not betray that public trust.

Nor, however, do I believe that the amendment will unduly involve the Federal judiciary in matters of fiscal policy. Senate Joint Resolution 1 provides "the Congress shall enforce and implement this article by appropriate legislation \* \* \*" In other words, Congress is directed to enact legislation to make the amendment work. That can include, if necessary, actions to limit the remedies a court could grant in a case brought under the balanced budget amendment.

In addition, the courts have already developed a number of doctrines which will limit the type and the number of lawsuits which may be brought under the act. First and foremost, all litigants must have standing in order to bring a claim. This generally requires the potential plaintiffs to show they have suffered an injury, in fact, that was caused by the alleged unlawful conduct and which is redressable by the courts. Courts have been extremely reluctant to confer standing to litigants based on their status as taxpayers. Furthermore, courts have a longstanding practice of avoiding controversies that involve a political question. So, I believe, again, that there are adequate safeguards to make certain that the courts do not take over the constitutional function of this legislature under a balanced budget amendment.

Madam President, the opponents of Senate Joint Resolution 1 have a great many arguments to support their view that a balanced budget amendment is unnecessary and unwise. I do not doubt the sincerity of their opposition, for their ranks include a number of Senators with whom I usually find myself in agreement. On balance, however, I believe that the only way we will be able to turn the current budget trends around is to face reality with the help of the balanced budget amendment. We must honestly address the budgetary, fiscal, and social issues of our time without resorting to the pocketbook resources of future generations.

As I stated at the outset, I am a liberal. My support of the balanced budget amendment is logically consistent with that definition of liberalism that I previously outlined, for several reasons. The balanced budget amendment

will save our ability to invest in people. It will protect our capacity for humane government. And the balanced budget will help expand people's opportunities. It is good policy and it is an idea whose time has come.

Madam President, every generation of Americans has been able to address and resolve challenges unique to their time. That is what makes this country great. Our current fiscal challenges are daunting, but I am convinced that passage of this amendment will preserve our Government's ability to act to face our underlying budget problems—honestly and directly—and save our ability to invest in people.

Passing a balanced budget amendment will not prevent the Government from acting to help address problems, and working to create expanded opportunities for Americans. It will mean that we will not abandon our responsibility to help educate our children, to assist the poor in moving into the economic mainstream, to protect our environment, or to exercise leadership in any number of areas of important public policy. Balancing the budget may be the critical element in our efforts to preserve the American dream of a better tomorrow.

I have no doubt but that this generation of Americans is as compassionate and creative and patriotic as previous generations were. We will be forced to make artificially draconian choices if we continue to spend what we do not have, and delude ourselves that debt passed on to future generations is not debt. The balanced budget amendment will force a fiscal discipline which will be the first step toward ensuring our generation will adequately and honestly address its needs so that future generations will at least have the same opportunity.

Madam President, I yield to the Senator from Utah.

Mr. HATCH. Madam President, I thank my distinguished colleague from Illinois. She may call herself a liberal, and that is fine with me. But she has stood up on this amendment as one of our principal cosponsors on the Democratic side of the floor, and that is one of the reasons this amendment is as good as it is and why it is a bipartisan amendment. I'm personally grateful to her for her courage in standing up for this. I think the generations will, as we pass this amendment, thank the distinguished Senator from Illinois for standing up and being willing to articulate why this is so important. So, again, I want to personally express my fondness for her and my feelings of what a great job she does on this issue and how I personally appreciate it. I have enjoyed her remarks. They have been right on point. I think she covered the issues very well and, frankly, I hope everybody in this country is listening to it.

As we close, I wanted to offer just a few final remarks on today's debate.

First, I would once again like to thank all those who have participated so far in the debate. I especially wish

to congratulate those new Members who have made their first addresses on this important issue. I appreciate their participation.

Second, I would like to add just a few additional thoughts on the notion of the so-called automatic stabilizers and the moderation of the business cycle.

Madam President, I believe the importance of automatic stabilizers has been overstated.

In her testimony before the Senate Budget Committee just last month, CBO Director June O'Neill responded to a question about the effectiveness of automatic stabilizers by citing better monetary policy and the Nation's move away from an agricultural based economy, with the inherent ups and downs that go along with agriculture, as factors at least as important as automatic stabilizers in minimizing recessions. Additionally, the move to a service economy and better inventory management practices has reduced the fluctuations associated with inventory overstocks and the factory economy.

The global economy and greater business information and efficiency have also contributed to a more stable economy.

Finally, there has been much discussion of who can take credit for the recent reductions in the deficit.

I believe that, like the increases in the deficit, the credit is to be shared. A recent article by Jim Miller, a former OMB Director shows various ways credit might be shared, and I ask unanimous consent that that article be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. Madam President, the fight to adopt a balanced budget amendment is a bipartisan one.

I congratulate my Democrat colleagues who have argued for the balanced budget amendment. Their support shows that this constitutional amendment is a nonpartisan solution to a nonpartisan problem.

#### EXHIBIT 1

[From the Washington Times, January 15, 1997]

(By James Miller)

#### GIVING CREDIT WHERE DUE FOR LOWER DEFICIT

A week before the election, President Clinton announced the scorecard for fiscal 1996 (which ended Sept. 31): the deficit was \$107 billion—lower than any time since 1981. As someone who would easily take credit for a brilliant sunrise or a starry night, Mr. Clinton wasted no time in claiming the deficit record was the product of his "economic plan."

Credits aside, the deficit record is very good news indeed. More U.S. saving is available for private investment, and the Federal Reserve is less likely to act in such a way as to restrain the economy. Tragically, had Congress adopted the budget discipline President Reagan recommended in his 1988 budget, the deficit would have been \$108 billion and "going South" eight years ago. Think of what spending restraint to balance the budget (by 1991) would have meant for economic growth in the meantime!

But who should get the credit for the latest deficit figure? Bill Clinton likes to say his tax increase did the trick, although in a moment of weakness he admits he raised taxes too much. He also emphasizes his "cuts" in spending, although in the package ultimately enacted most of the claimed slowdown in spending growth takes place after 1996. Is the Clinton economic plan of 1993 responsible for the decline in the deficit?

It's especially helpful to focus on the outcomes in two fiscal years, two years apart, reflecting two Congresses: 1994 and 1996, the first being the product of a Democratic Congress, and the latter of a Republican Congress.

In April 1993, soon after taking office, Mr. Clinton proposed a budget for 1994 that forecast a 9.2 percent increase in receipts—from an estimated \$1,146 billion for 1993 to \$1,251 billion. The latter figure included \$36 billion in additional taxes from his economic plan ("A Vision of Change for America") announced two months earlier. Actual receipts in 1994 were \$1,258 billion—\$7 billion more than the initial forecast, and an increment due to the economic boost attributable to further spending restraint (see below). In the budget, Mr. Clinton proposed a 3.2 percent increase in outlays—from an estimated \$1,468 billion to \$1,515 billion, the latter figure reflecting his plan's \$5 billion net reduction from the spending baseline. Actual outlays in 1994 were \$1,461 billion—\$54 billion less than Mr. Clinton asked for. Clearly, the deficit reduction in 1994—from \$255 billion (actual) to \$203 billion (actual) was due more to spending restraint by Congress (\$54 billion) than to Mr. Clinton's economic plan (\$41 billion).

In 1995, receipts were \$13 billion higher than forecast, such forecast reflecting \$47 billion in new taxes from President Clinton's economic plan. Outlays were within \$1 billion of Mr. Clinton's request, which reflected an \$18 billion reduction from the baseline due to his economic plan. The actual deficit fell from \$203 billion to \$164 billion, and in this instance one can argue that Mr. Clinton's economic plan is the major factor.

In February 1995, President Clinton submitted his budget for 1996. In it, he forecast a 5.2 percent increase in receipts—from \$1,346 billion to \$1,416 billion, the latter figure reflecting a \$54 billion increase due to his economic plan. Actual receipts, announced a week before the election, were \$1,453 billion—\$37 billion more than forecast, arguably attributable to Congress' additional budget restraint (see below). In that same budget, Mr. Clinton proposed a 4.7 percent increase in outlays—from \$1,539 billion to \$1,612 billion, the latter figure reflecting a \$34 billion reduction from the spending baseline due to passage of his economic plan. Actual outlays were \$1,560 billion—\$52 billion less than Mr. Clinton asked for. Thus, the sizable reduction in the actual deficit in 1996—from \$614 billion to \$107 billion—was due to additional spending restraint by Congress (\$52 billion) as well as the combined effects of the spending restraint and the new taxes in President Clinton's original economic plan (\$88 billion).

Thus, if you give President Clinton all the credit for the forecast changes due to his economic plan, he accounts for \$194 billion of reduction from the baseline deficit over the three fiscal years, whereas Congress deserves credit for at least \$107 billion because of further spending restraint. If you give Congress credit for the \$57 billion revenue boost in 1996 (see below), Congress can claim credit for \$164 billion in deficit reduction. If you give Mr. Clinton credit only for the tax portion of the plan (his negotiations with Congress focused on its demand for spending restraints vs. his demand for tax increase), Mr.

Clinton's contribution is only \$137 billion; Congress accounts for the rest—\$221 billion.

Of further interest here is that, contrary to the rhetoric over alleged excesses of the (104th) Republican Congress in paring programs indiscriminately, its record on spending in its first year was almost precisely the same as that of the first year of the last (103rd) Democratic Congress—both gave the president some \$50 billion less than he asked.

Receipts in 1994 (and 1993) were close to forecast. But what explains the substantially larger-than-forecast receipts in 1996? If the stock and bond markets are any guide, the determination expressed by the new Republican majorities in the House and Senate to balance the budget by restraining spending improved the economic outlook and was responsible for the better-than-expected economic performance during the last fiscal year (3 percent real growth vs. 2.5 percent forecast) which in turn led to higher federal receipts.

#### EFFECTS ON DEFICIT: CLINTON VS. CONGRESS (In billions of dollars)

	Fiscal years—			Cumulative
	1994	1995	1996	
Clinton tax increase .....	-36	-47	-54	-137
Clinton spending restraint .....	-5	-18	-34	-57
Congressional revenue increase .....	-7	-13	-37	-57
Congressional spending restraint .....	-54	-1	-52	-107

#### UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 2

Mr. HATCH. Madam President, I ask unanimous consent that at 3:30 p.m. on Monday, February 10, the Senate resume consideration of Senator DURBIN's amendment regarding economic hardship. I further ask that there be 2 hours for debate, equally divided in the usual form, and at the hour of 5:30 p.m. on Monday the Senate proceed to vote on or in relation to the Durbin amendment, and no amendments be in order to the Durbin amendment prior to the 5:30 p.m. vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MORNING BUSINESS

Mr. HATCH. Madam President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

##### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which was referred to the Committee on Banking, Housing, and Urban Affairs.

(The nomination received today is printed at the end of the Senate proceedings.)

#### REPORT CONCERNING THE BUDGET OF THE UNITED STATES— MESSAGE FROM THE PRESIDENT—PM 10

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred jointly, pursuant to the order of January 30, 1975; to the Committee on Appropriations and the Committee on the Budget.

##### To the Congress of the United States:

The 1998 Budget, which I am transmitting to you with this message, builds upon our successful economic program of the last four years by balancing the budget while investing in the future.

My budget reaches balance in 2002 the right way—cutting unnecessary and lower-priority spending while protecting our values. It strengthens Medicare and Medicaid, improves last year's welfare reform law, and provides tax relief to help Americans raise their children, send them to college, and save for the future. It invests in education and training, the environment, science and technology, and law enforcement to raise living standards and the quality of life for average Americans.

Over the last four years, my Administration and Congress have already done much of the hard work of reaching balance in 2002. We have reversed the trend of higher deficits that we inherited, and we have gone almost two-thirds of the way to reaching balance. Now, I want to work with Congress to achieve the final increment of deficit cutting and bring the budget into balance for the first time since 1969.

##### BUILDING A BRIDGE TO THE 21ST CENTURY

For four years, my Administration has worked to prepare America for the future, to create a Government and a set of policies that will help give Americans the tools they need to compete in an increasingly competitive, global economy.

We have worked to create opportunity for all Americans, to demand responsibility from all Americans, and to strengthen the American community. We have worked to bring the Nation together because, as Americans have shown time and again over the years, together we can overcome whatever hurdles stand before us.

Working with Congress and the American people, we have put America on the right path. Today, the United States is safer, stronger, and more prosperous. Our budget deficit is much smaller, our Government much leaner, and our policies much wiser.

The economic plan that we put in place in 1993 has exceeded all expectations. Already, it has helped to reduce the deficit by 63 percent—from the record \$290 billion of 1992 to just \$107 billion in 1996—and it has spurred a record of strong growth, low interest rates, low inflation, millions of new jobs, and record exports for four years.

While cutting the deficit, we also have cut the Federal work force by over 250,000 positions, bringing it to its smallest size in 30 years and, as a share of the civilian work force, its smallest since the 1930s. We have eliminated Federal regulations that we don't need and improved the ones we do. And we have done all this while improving the service that Federal agencies are providing to the American people.

We have cut wisely. We have, in fact, cut enough in unnecessary and lower-priority spending to find the resources to invest in the future. That's why we were able to cut taxes for 15 million working families, to make college more affordable for 10 million students, to put tens of thousands of young people to work through national service, to invest more in basic and biomedical research, and to help reduce crime by putting more police on the street.

My plan to reach balance in 2002 provides the resources to continue these important investments. We must not only provide tax relief for average Americans, but also increase access to education and training; expand health insurance to the unemployed and children who lack it; better protect the environment; enhance our investments in biomedical and other research; beef up our law enforcement efforts; and provide the needed funds for a thriving global policy and a strong defense.

##### PUTTING THE BUILDING BLOCKS IN PLACE

When my Administration took office in 1993, we inherited an economy that had barely grown over the previous four years while creating few jobs. The budget deficit had hit record levels, and experts in and out of Government expected it to go higher. Savings and investment were down, interest rates were up, and incomes remained stagnant, making it harder for families to pay their bills.

We put in place a comprehensive set of policies that are bearing fruit. By cutting the deficit from \$290 billion to \$107 billion last year, my economic program (and the strong economy it helped create) has brought the deficit to its lowest level since 1981. As a share of Gross Domestic Product (GDP), we have our smallest deficit since 1974 and the smallest of any major industrialized nation.

Other parts of my economic policy also are helping to create jobs and raise living standards. With regard to trade, for instance, my Administration not only completed the Uruguay Round of the General Agreement on Tariffs and Trade and the North American Free Trade Agreement, but also more than 200 separate trade agreements, helping to raise exports to record levels. By opening overseas markets to American goods—by encouraging free and fair trade—we are creating high-wage jobs at home.

Taken together, our budget and trade policies have helped to create over 11 million new jobs in the last four years. After two decades of troubling stagnation, incomes have begun to rise again

while inequality shrinks. Also, partly due to a strong economy (and partly to our policies), poverty, welfare, and crime are down all across America.

With strong growth, low interest rates, low inflation, millions more jobs, record exports, more savings and investment, and higher incomes, the Nation is enjoying what such experts as Alan Greenspan, the chairman of the Federal Reserve, have described as the healthiest economy in a generation.

Now, our challenge is to complete the job that we began in 1993—to bring the budget into balance for the first time since 1969 while continuing to invest in the American people. My budget does that.

#### IMPROVING PERFORMANCE IN A BALANCED BUDGET WORLD

Led by the Vice President's National Performance Review, we are truly creating a Government that "works better and costs less."

We have cut the Federal work force by over 250,000 positions, eliminated over 200 programs and projects, closed nearly 2,000 obsolete field offices, cut red tape, and eliminated thousands of pages of regulations while dramatically simplifying thousands more. We also are providing better service for Americans—at the Social Security Administration, the Department of Veterans Affairs, and other agencies.

Our efforts to balance the budget will continue to put a premium on spending wisely. I am determined that we will provide the highest-quality service to Americans for the lowest price. And I will demand that agencies continue to search for better and better ways to achieve results for the American people.

As we move ahead, we plan to follow a series of strategies that build upon our successes to date. We will, for instance, restructure agencies to make them more flexible and decentralized. We will work to ensure that Federal employees and their managers work together to achieve common goals. We will expand competition to ensure that agencies perform their functions as efficiently as possible.

Government cannot solve all of our problems, but it surely must help us solve many of them. We need an effective Government to serve as a partner with States, localities, business and labor, communities, schools, and families. Only when we can show the American people that Government can, in fact, work better for them can we restore their confidence in it. And I am determined to do just that.

#### CREATING OPPORTUNITY, DEMANDING RESPONSIBILITY, AND STRENGTHENING COMMUNITY

I worked with the last Congress to ensure that as many as 25 million Americans no longer have to fear that they will lose their access to health insurance if they lose their jobs or change jobs; that people no longer will be denied coverage because they have preexisting medical conditions; that insurance companies will sell coverage to small employer groups and to indi-

viduals who lose group coverage; and that self-employed people will find it easier and cheaper to get health insurance. Now, I want to strengthen both Medicare and Medicaid to ensure that they continue to serve the tens of millions of Americans who rely on them, to expand health care coverage to help the growing numbers of American children and families who lack insurance, and to promote public health. My budget invests more in biomedical research, in programs to combat infectious diseases, in the Ryan White AIDS program that provides potentially life-extending drug therapies to many people with AIDS, and in community health centers and Indian Health Service facilities that serve critically underserved populations.

We have to ensure that every American has the skills and education needed to win in the new economy, and we can do that only if every American is ready for a lifetime of continuous learning. My budget expands Head Start, increases our investments in Federal elementary and secondary education programs, launches a new effort to jump-start needed school renovation and construction, and provides funds for America Reads to ensure that all children can read well and independently by the end of third grade. To expand higher education and training to all Americans, I propose HOPE scholarship tax credits of up to \$1,500 for two years, tax deductions of up to \$10,000, the largest increase in Pell Grant scholarships in two decades, lower student loan fees and interest rates, and the G.I. Bill for America's Workers so they can choose where to get the best job training available.

We do not have to choose between a stronger economy and a cleaner environment. Over the last four years, we have produced both. Now, we want to go further. In this budget, I am proposing the funds to speed up toxic waste clean-ups, to redevelop abandoned and contaminated sites known as "brownfields," to improve the facilities at our national parks, to advance our salmon recovery efforts, to invest in energy efficiency and renewable energy, to further our environmental efforts overseas, and to expand our work with States, localities, private groups, and others to restore such sensitive ecosystems as the South Florida Everglades and California's Bay-Delta area between San Francisco and Sacramento.

We must maintain our leadership in research, the results of which have so greatly improved our health and well-being. Federal research, in concert with the private sector, creates new knowledge, trains our workers, generates new jobs and industries, solves many of our health care challenges, strengthens our ability to address environmental issues, enables us to teach our children better, and ensures that we can maintain a strong, capable national defense. I am proposing to increase our investments in basic re-

search in health sciences at the National Institutes of Health, in basic research and education at the National Science Foundation, in research at other agencies that depend on science and technology, and in cooperative ventures with industry, such as through the successful Advanced Technology Program and Manufacturing Extension Partnerships.

I want to build on our efforts to fight crime, curb the scourge of illegal drugs, and secure the Nation's borders. Crime is falling all across America. And, under the Brady Bill that I fought so hard to achieve, we have prevented over 100,000 felons, fugitives, and stalkers from obtaining guns. Now, I want to make further progress and, in particular, target juvenile crime and violence. My budget continues our progress toward putting 100,000 more police on the street. It renews our efforts to fight drug abuse, particularly by focusing on youth prevention programs to reverse the recent trends of softening attitudes toward drugs and more drug use by young Americans. It also strengthens our efforts to control illegal immigration by stopping those who want to enter illegally, quickly removing those who slipped by, and making it harder for illegal immigrants to get jobs.

Because some American communities have grown disconnected from the opportunity and prosperity that most of us enjoy, I want to help communities attract private investment to spur their revitalization. Because permanent solutions must come from the community level, my budget proposes to create opportunities and offer incentives for individuals and businesses to participate directly in addressing local problems. I want to expand my national service program so that more Americans can volunteer and earn money for college. I want to expand Empowerment Zones and Enterprise Communities, making more and more communities eligible for the tax incentives and other support that can spur a return to business and jobs. I also want to expand the Community Development Financial Institutions Fund to enhance credit and other services to distressed areas. In addition, the Nation's capital, which suffers from a unique set of challenges, would benefit greatly from the groundbreaking proposal that I have previously outlined.

I am pleased that, today, 2.1 million fewer Americans are on welfare than the day I took office, both because of a strong economy and because I have helped States to test innovative ways to move people from welfare to work and protect children. I am also pleased that I could sign last year's welfare reform legislation, because I believe it will promote my basic goals of work, family, and responsibility. I have directed my Administration to work closely with States so that we can make welfare reform succeed. Last year's law, however, also included excessive budget cuts, mainly affecting

nutrition programs, legal immigrants, and children, that had nothing to do with welfare reform. In signing the bill, I said that I would seek legislation to address those problems. My budget does that.

Over the last four years, we have provided tax relief to millions of working Americans and to small businesses. But I want to go further by helping middle-income Americans raise their children, send them to college, and save for the future. For those Americans, my tax plan offers a \$500 per child tax credit for all children under 13, a \$1,500-a-year tax credit to help families send their children to college for two years, a \$10,000 tax deduction for tuition and fees for higher education and training, and expanded Individual Retirement Accounts to encourage saving and enable families to cope with unforeseen problems. I am also proposing to ensure that homeowners do not have to pay capital gains taxes on 99 percent of all home sales. My tax plan would promote the hiring of long-term welfare recipients in order to help move people from welfare to work, restore the tax credit that encourages business research and development, and expand tax credits for Empowerment Zones and Enterprise Communities. And it would help finance my tax relief by eliminating unwarranted tax loopholes and preferences.

On the international front, we must continue to project our leadership abroad while we advance our national goals. With the Cold War over, we have a great opportunity to expand democracy overseas, but we will have a much better chance to succeed if we fulfill our international commitments. In this budget, I am proposing that we pay our arrears to the United Nations and other international organizations, so that our leadership is not undermined at this crucial time. But I will also insist that these institutions control their budgets and enact the reforms that our Government and others have called for. In addition, we must continue our support for Russia and the New Independent States of the Soviet Union as they make the difficult transition to free markets and democracy, and we must be prepared to do whatever we can to advance the difficult, but vital, peace process in the Middle East. A strong, coherent foreign policy also will help us further our progress in opening markets abroad, and my budget proposes strong, continued support for the Federal efforts that help to expand exports.

Finally, our goals both at home and abroad must rest on the firm foundation of a strong national defense. It is a strong defense that safeguards our interests, prevents conflict, and secures the peace. We must ensure that our armed forces are highly ready and armed with the best equipment that technology can provide. They must be prepared and trained for the new threats to our security—from the proliferation of weapons of mass destruc-

tion, to ethnic and regional conflicts, to terrorism and drug trafficking that directly threaten our free and open society. My budget continues to sustain and modernize the world's strongest and most ready military force, a force capable of prevailing in two nearly simultaneous regional conflicts. It fully funds our commitment to maintain the highest levels of training and readiness, and to equip our uniformed men and women with the most advanced technologies in the world. We must never fall short when it comes to defense.

#### CONCLUSION

Our policies are working. By dramatically cutting the deficit and investing in the future, we have helped to spur four years of strong economic growth, providing vast new opportunities for millions of Americans. Jobs, incomes, savings, investment, exports, and homeownership are all up. Crime, poverty, teen pregnancy, and inequality are all down. Clearly, we are moving in the right direction.

But our work is not done. For too long, the Federal Government has spent much more than it received, creating deficits that cast doubt on both our economic future and our ability to govern. In the last four years, we have made high progress, cutting the deficit by nearly two-thirds. I urge Congress to help me finish the job and balance the budget by 2002—giving the American people the balanced budget they deserve.

WILLIAM J. CLINTON.

February 6, 1997.

#### MESSAGES FROM THE HOUSE

At 11:10 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 499. An act to designate the facility of the United States Postal Service under construction at 7411 Barlita Boulevard in San Antonio, Texas, as the "Frank M. Tejeda Post Office Building."

#### MEASURE REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 499. An act to designate the facility of the United States Postal Service under construction at 7411 Barlita Boulevard in San Antonio, Texas, as the "Frank M. Tejeda Post Office Building"; to the Committee on Governmental Affairs.

#### PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-30. A concurrent resolution adopted by the Legislature of the State of Iowa; to the Committee on the Judiciary.

#### HOUSE CONCURRENT RESOLUTION 4

Whereas, with each passing year this nation becomes deeper in debt as federal gov-

ernment expenditures repeatedly exceed available revenues, so that the federal public debt is now approximately \$4.9 trillion, or \$19,000 for every man, woman, and child; and

Whereas, the annual federal budget has not been balanced since 1969, demonstrating an unwillingness or inability of both the legislative and executive branches of the federal government to spend in conformity with available revenues; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the federal budget should not be manipulated to present the appearance of being in balance while, in fact, federal indebtedness continues to grow; and

Whereas, believing that fiscal irresponsibility at the federal level, which is resulting in a lower standard of living and endangering economic opportunity now and for the next generation, is the greatest threat which faces our nation; and

Whereas, Thomas Jefferson recognized the importance of a balanced budget when he wrote, "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves"; and

Whereas, the principal functions of the Constitution of the United States include promoting the broadest principles of a government of, by, and for the people; setting forth the most fundamental responsibilities of government; and enumerating and limiting the powers of the government to protect the basic rights of the people; and

Whereas, the federal government's unlimited ability to borrow involves decisions of such magnitude, with such potentially profound consequences for the nation and its people, today and in the future, that it is appropriately a subject for limitation by the Constitution of the United States; and

Whereas, the Constitution of the United States vests the ultimate responsibility to approve or disapprove of amendments to the Constitution of the United States with the people of the several States, as represented by their elected Legislatures; and

Whereas, opposition by a small minority within Congress and, on occasion, by the President, has repeatedly thwarted the will of the people of the United States that a balanced budget amendment to the Constitution of the United States should be submitted to the States for ratification while large majorities of both Houses of Congress already have prepared considered, and voted for such amendment; now therefore, be it

*Resolved by the House of Representatives, the Senate Concurring,* That the General Assembly of the State of Iowa requests the members of the Congress of the United States to expeditiously pass, and to propose to the Legislatures of the several States for ratification, an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year not exceed the total of all estimated federal revenues for that fiscal year; and be it

*Further Resolved,* That the Legislatures of each of the several States comprising the United States be urged to apply to the Congress requesting the proposal for ratification of such an amendment to the Constitution of the United States; and be it

*Further Resolved,* That copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of Iowa's congressional delegation, and the presiding officers of each house of the Legislatures of each of the other States.

We, Ron J. Corbett, Speaker of the House and Mary E. Kramer, President of the Senate; Elizabeth A. Isaacson, Chief Clerk of the House, and Mary Pat Gunderson, Secretary of the Senate, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives and the Senate of the Seventy-seventh General Assembly.

### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS (for himself, Mr. CAMPBELL, and Mr. BREAUX):

S. 281. A bill to amend the Internal Revenue Code of 1986 to provide a mechanism for taxpayers to designate \$1 of any overpayment of income tax, and to contribute other amounts, for use by the United States Olympic Committee; to the Committee on Finance.

By Mr. STEVENS (for himself, Mr. CAMPBELL, Mr. BREAUX, and Mr. MURKOWSKI):

S. 282. A bill to establish a recurring bi-annual Olympic commemorative coins program, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BURNS:

S. 283. A bill to establish a Commission on Structural Alternatives for the Federal Courts of Appeals; to the Committee on the Judiciary.

By Mr. LUGAR (for himself and Mr. COATS):

S. 284. A bill to amend title 23, United States Code, to improve safety at public railway-highway crossings, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SHELBY (for himself, Mr. SESSIONS, Mr. DEWINE, Mr. HUTCHINSON, Mr. COCHRAN, and Mr. SMITH):

S. 285. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income any distribution from a qualified State tuition program used exclusively to pay qualified higher education expenses incurred by the designated beneficiary, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. LEVIN, Mr. ASHCROFT, Mr. DEWINE, Mr. BOND, Mr. KYL, Mr. FRIST, Mr. NICKLES, Ms. MIKULSKI, Mr. SHELBY, Mr. COATS, Mr. SANTORUM, and Mr. INHOFE):

S. 286. A bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 287. A bill to require congressional approval before any trade agreements entered into under the auspices of the World Trade Organization; to the Committee on Finance.

By Mr. DORGAN:

S. 288. A bill to amend the Internal Revenue Code of 1986 to provide families with estate tax relief, and for other purposes; to the Committee on Finance.

By Mr. DEWINE:

S. 289. A bill to designate the United States courthouse to be constructed at the corner of Superior Road and Huron Road in Cleveland, Ohio, as the "Carl B. Stokes United States Courthouse"; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI (for himself, Mr. INOUE, Mr. AKAKA, Mr. STEVENS, and Mr. THOMAS):

S. 290. A bill to establish a visa waiver pilot program for nationals of Korea who are traveling in tour groups to the United States; to the Committee on the Judiciary.

By Mr. BYRD:

S.J. Res. 15. A joint resolution proposing an amendment to the Constitution of the United States to clarify the intent of the Constitution to neither prohibit nor require public school prayer; to the Committee on the Judiciary.

### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself, Mr. CAMPBELL, and Mr. BREAUX):

S. 281. A bill to amend the Internal Revenue Code of 1986 to provide a mechanism for taxpayers to designate \$1 of any overpayment of income tax, and to contribute other amounts, for use by the United States Olympic Committee; to the Committee on Finance.

THE UNITED STATES OLYMPIC CHECKOFF ACT

Mr. STEVENS. Mr. President, today I bring to the Senate the United States Olympic Checkoff Act. This bill would provide significant—and needed—new funding for our Nation's amateur athletic movement. This will present a way for Americans to show support for the United States Olympic Committee, the USOC, and for our amateur athletes. Simply by checking a box on their tax returns, American taxpayers could designate a dollar from their refunds to go to the USOC, or they could enclose a contribution to the USOC when they mail their tax forms. This concept is similar to the existing Presidential checkoff. It is different though, in that this deduction for the Olympic Committee would come from the taxpayers' own money, their refunds or their contributions, and not from the money destined for the Federal Treasury.

The Amateur Sports Act of 1978 made the USOC the central coordinating body for amateur sports in the United States. The responsibilities of the act, that is the responsibilities given by the act to the USOC, include training and selecting athletes to represent the United States at international competitions and, equally important, encouraging athletic activities for all amateur athletes in the United States through grassroots sports opportunities.

What the Amateur Sports Act does not do is authorize Federal funding of the USOC. In almost every other nation in the world, Olympic and amateur sports receive substantial government funding. That is not true in our country. The USOC's primary means of raising money to support U.S. athletes and to carry out the purposes of the act is through charging sponsors a fee to use the words "Olympics" or "Olympiad," and to display the Olympic symbol of five interlocking rings. Sponsors' fees do not come close to providing the funds necessary to train our growing legions of athletes. Our athletes at the grassroots level are not getting a fair

chance to be competitive with their counterparts from nations that provide funding from government sources.

My bill would create a new trust fund in the Treasury called the United States Olympic Trust Fund. The amounts voluntarily contributed by Americans would be deposited into the trust fund. At least once quarterly, the Secretary of Treasury would distribute the amounts in the trust fund to the USOC, after deducting reasonable administrative costs.

I look forward to working with the Senate Finance Committee and all of the Senate and the House to achieve enactment of this valuable legislation in this Congress. I hope this bill will be welcomed by all Americans who believe in the importance of our country's athletic programs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 281

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Olympic Checkoff Act".

#### SEC. 2. DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR UNITED STATES OLYMPIC TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

#### "PART IX—DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS TO UNITED STATES OLYMPIC TRUST FUND

##### "SEC. 6097. AMOUNTS FOR UNITED STATES OLYMPIC TRUST FUND.

"(a) IN GENERAL.—With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1, such taxpayer may designate that—

"(1) \$1 of any overpayment of such tax for such taxable year, and

"(2) any cash contribution which the taxpayer includes with such return,

be paid over to the United States Olympic Trust Fund.

"(b) JOINT RETURNS.—In the case of a joint return showing any overpayment of \$2 or more, each spouse may designate \$1 of such overpayment under subsection (a)(1).

"(c) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of the tax imposed by chapter 1 for such taxable year. Such designation shall be made on the first page of the return.

"(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the date prescribed for filing the return of tax imposed by chapter 1 (determined without regard to extensions) or, if later, the date the return is filed."

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 61 of such Code is amended by adding at the end the following new item:

"Part IX. Designation of overpayments and contributions for United States Olympic Trust Fund."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable

years beginning with the first full taxable year after the date of enactment of this Act.

**SEC. 3. ESTABLISHMENT OF UNITED STATES OLYMPIC TRUST FUND.**

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

**"SEC. 9512. UNITED STATES OLYMPIC TRUST FUND.**

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'United States Olympic Trust Fund', consisting of such amounts as may be appropriated or credited to the United States Olympic Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFER TO UNITED STATES OLYMPIC TRUST FUND OF AMOUNTS DESIGNATED.—There is hereby appropriated to the United States Olympic Trust Fund amounts equivalent to the amounts designated under section 6097 and received in the Treasury.

"(c) EXPENDITURES FROM TRUST FUND.—

"(1) PAYMENTS.—Not less often than quarterly, the Secretary shall pay to the United States Olympic Committee an amount from the United States Olympic Trust Fund equal to the amount in such Fund as of the time of such payment, less any administrative expenses of the Secretary which may be paid under paragraph (2), for the purposes of carrying out the Amateur Sports Act of 1978 (36 U.S.C. 371 et seq.).

"(2) ADMINISTRATIVE EXPENSES.—Amounts in the United States Olympic Trust Fund shall be available to pay the administrative expenses of the Department of the Treasury directly allocable to—

"(A) modifying the individual tax return forms to carry out section 6097,

"(B) carrying out this chapter with respect to such Fund, and

"(C) processing amounts received under section 6097 and transferring such amounts to such Fund."

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end the following new item:

"Sec. 9512. United States Olympic Trust Fund."

By Mr. STEVENS (for himself, Mr. CAMPBELL, Mr. MURKOWSKI, and Mr. BREAUX):

S. 282. A bill to establish a recurring bi-annual Olympic commemorative coins program, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

**THE OLYMPIC COMMEMORATIVE COINS ACT**

Mr. STEVENS. Mr. President, I have a second bill pertaining to amateur sports I would like to present to the Senate today. This will create a recurring Olympic Commemorative Coins Program in the United States to provide valuable souvenirs to amateur sports enthusiasts, and a new source of revenue to the United States Olympic Committee, the USOC. These are sort of companion bills. The second bill would require the Secretary of the Treasury to consult with the USOC and the Citizens Commemorative Coin Advisory Committee on the design of a \$1 silver coin which would commemorate each summer and winter Olympic games held outside the United States. Only 500,000 of such coins would be minted.

Under the bill, a new commemorative coin would be issued every 2 years. The

summer and winter Olympics are now staggered, so that, as we all know, now there is an Olympic games every 2 years.

Each coin would carry a surcharge of \$10 and that money would be transferred by the Secretary of the Treasury to the USOC. The Secretary of Treasury would be required to include in the sale price of each coin an additional amount to pay for the costs of the program. If the coins sell as they have in the past, and these have been very successful programs in the past, the USOC could receive a total of about \$5 million for each Olympic games, in other words every 2 years. This would go a long way toward supporting our amateur athletes and carrying out our responsibilities of the Amateur Sports Act of 1978. In years when the Olympics are held inside the United States, the Secretary of the Treasury would be required to develop an expanded multicoin program to commemorate our Olympic Games. This program, designed by the Secretary, with the USOC and the Coins Committee, could provide 4 or 5 different gold, silver or other coins in numbers larger than the 500,000 for the games that are held outside the United States. These would be of special interest to travelers who would come to the United States for the Olympic games.

My bill also provides discretion with respect to the surcharge in each coin. This would make it possible for U.S. athletes and the USOC to receive an even greater benefit from each coin. In the first 2 months after the new Olympic Coins Program begins, the Secretary of Treasury would be prohibited from issuing other commemorative coins. In other words, we would like to have one period, every 2 years, of 2 months in which the USOC's coins, the Olympic coins, would be the only coins available.

The Amateur Sports Act made the USOC, as I said before, the central coordinating body for amateur sports in the United States. It does give the USOC the duty to not only select and train athletes to represent the United States at international competitions, but to encourage athletic activities through a grassroots sports program.

I believe that the USOC carries out the Amateur Sports Act well, in view of the fact it does not receive support from Federal appropriations. As I said before, the act does not authorize such appropriations.

I repeat, Mr. President, unless we find a source of revenue for the USOC, we are going to have a situation where it cannot carry out the responsibilities that were given it by Congress in 1978.

Last year, the Senate Commerce Committee began a review of the Amateur Sports Act. During our first two hearings, we determined additional revenues are needed to provide greater grassroots sports opportunities in our country.

Toward this end, the bill I am introducing would require at least 25 per-

cent of the revenues received by the USOC under the coins program would be used solely for promoting grassroots sports opportunities, and it would require USOC to use at least 25 percent of the revenues to promote and encourage physical fitness and public participation in amateur athletic activities; to assist organizations and persons concerned with sports in the development of special amateur athletic programs for amateurs in our country; and it would also foster the development of amateur athletic facilities for use by amateur athletes, as well as assist in making existing amateur athletic facilities available and to modernize them, Mr. President, which is necessary for their use by amateur athletes now in this country.

I look forward on this bill to working with the chairman and ranking member of the Senate Judiciary Committee. I believe this bill will be sent to that committee. It is important legislation to be enacted in this Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 282

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be referred to as the "Olympic Commemorative Coins Act".

**SEC. 2. DEFINITIONS.**

For the purposes of this Act—

(1) the term "Corporation" shall mean the corporation by the name of "United States Olympic Committee" created by the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 371 et seq.), as amended; and

(2) the term "Secretary" shall mean the Secretary of the Treasury.

**SEC. 3. COMMEMORATIVE COINS PROGRAMS.**

(a) BI-ANNUAL OLYMPIC COINS.—Beginning in 1977, in each six month period prior to the date upon which the Summer or Winter Olympic Games are held in a nation other than the United States, the Secretary shall issue not more than 500,000 commemorative one dollar coins, each of which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.5 inches;

(3) contain 90 percent silver and 10 percent alloy; and

(4) bear the design selected by the Secretary pursuant to subsection (f).

(b) OLYMPIC COINS WHEN GAMES ARE HELD IN THE UNITED STATES.—In each year prior to a year in which the Summer or Winter Olympic Games are held in the United States, the Secretary shall develop an expanded multicoin commemorative coins program in consultation with the Corporation and the Citizens Commemorative Coin Advisory Committee. The Secretary shall issue such coins in the six month period to the date upon which such games are held.

(c) EXCLUSIVITY.—During the first two months of each period in which coins are issued under this Act, the Secretary shall not issue other commemorative coins.

(d) SURCHARGES.—(1) All sales of the coins issued under subsection (a) shall include a surcharge of \$10 per coin.

(2) All sales of the coins issued under subsection (b) shall include a surcharge of between \$1 and \$50 per coin as determined by the Secretary in consultation with the Corporation.

(e) **DISTRIBUTION AND USE OF SURCHARGES.**—(1) All surcharges received by the Secretary from the sale of coins under this Act shall be promptly paid by the Secretary to the Corporation.

(2) Funds received by the Corporation under this Act shall be used to carry out the Amateur Sports Act of 1978 (36 U.S.C. 371 et seq.), and not less than twenty-five percent of such funds shall be used for the objects and purposes of paragraphs (6), (7), and (9) of section 104 of such Act (36 U.S.C. 374).

(f) **DESIGN.**—(1) The design for each coin issued under this Act shall be selected by the Secretary after consultation with the Corporation.

(2)(A) On each coin issued under this Act there shall be—

- (i) a designation of the value of the coin;
- (ii) an inscription of the year; and
- (iii) inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(B) On coins issued under this Act there may be, with the consent of the Corporation under section 9 of the Act entitled "An Act to incorporate the United States Olympic Association", approved September 21, 1950 (36 U.S.C. 380), the symbol of the International Olympic Committee, the emblem of the Corporation, the words "Olympic", "Olympiad" or other symbols, emblems, trademarks and names which the Corporation has the exclusive right to use under that section.

#### SEC. 4. LEGAL TENDER.

The coins issued under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

#### SEC. 5. SOURCES OF BULLION.

(a) **SILVER.**—The Secretary shall obtain silver for minting coins under this Act from sources the Secretary determines to be appropriate, including stockpiles established under the Strategic and Critical Materials Stock Piling Act.

(b) **GOLD.**—The Secretary shall obtain any gold for minting coins under this Act pursuant to the authority of the Secretary under other provisions of law.

#### SEC. 6. SALE PRICE.

Each coin issued under this Act shall be sold by the Secretary at a price equal to the sum of—

- (1) the face value of the coin;
- (2) the surcharge provided in section 3 with respect to such coin;
- (3) the cost of designing and issuing the coin (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping); and
- (4) the estimated profit determined under section 7(b) with respect to such coin.

#### SEC. 7. DETERMINATION OF COSTS AND PROFIT.

(a) **DETERMINATION OF COSTS.**—The Secretary shall determine the costs incurred with respect to coins issued under this Act, including overhead costs.

(b) **DETERMINATION OF PROFIT.**—Prior to the sale of each edition of coin issued under this Act, the Secretary shall calculate the estimated profit to be included in the sale price of each such coin under section 6(4).

(c) **PROHIBITION ON JUDICIAL REVIEW.**—Determinations made under this section shall be made at the sole discretion of the Secretary and shall not be subject to judicial review.

#### SEC. 8. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

Section 5112(j) of title 31, United States Code, shall apply to the procurement of goods and services necessary to carry out the programs and operations of the United States Mint under this Act.

#### SEC. 9. AUDITS AND REPORT.

(a) The Comptroller General of the United States shall have the right to examine

books, records, documents, and other data of the Corporation related to the expenditure of amounts it has received under section 3(e)(1).

(b) The Corporation shall biannually transmit a report to Congress and to the Secretary which shall account for the expenditure of funds received under section 3(e)(1).

#### SEC. 11. FINANCIAL ASSURANCES.

It is the sense of Congress that each coin edition issued under this Act should be self-sustaining and should be administered so as not to result in any net cost to the Numismatic Public Enterprise Fund.

By Mr. BURNS:

S. 283. A bill to establish a Commission on Structural Alternatives for the Federal Court of Appeals; to the Committee on the Judiciary.

THE STRUCTURAL ALTERNATIVES FOR THE FEDERAL COURT OF APPEALS COMMISSION ESTABLISHMENT ACT OF 1997

• Mr. BURNS. Mr. President, I introduce a bill which would establish a Commission on Structural Alternatives for the Federal Court of Appeals.

This commission would study the present division of the United States into the several judicial circuits, study the structure and alignment of the Federal Court of Appeals system, with particular reference to the ninth circuit, and report recommendations to the President and Congress on appropriate changes in circuit boundaries or structure for the expeditious and effective disposition of the caseload of the Federal Court of Appeals, consistent with fundamental conceptions of fairness and due process.

As you may know, I have cosponsored legislation in the past that would have split the ninth circuit. I have not altered my opinion of the need for this, however, it seems that some of my colleagues need a little bit more convincing. That is why I believe having a well-formed commission, which examines this issue closely and delivers a nonpolitical response, will dispel the doubts that my colleagues have about a split.

I believe that the commission will begin to answer some of the concerns that Montanans have voiced that they are not obtaining the same level of judicial consideration as others in the ninth circuit. Considering the size of the district, I have the same doubts. The ninth circuit is now comprised not only of Montana, but also, Alaska, Arizona, California, Guam, Hawaii, Idaho, the Northern Mariana Islands, Nevada, Oregon, and Washington. That's nine States and two principalities. The ninth circuit is about twice the size of the next largest circuit, both in population and geography.

Its caseload is among the fastest growing in the Nation, and the time to complete an average appeal, more than 14 months, is more than 4 months longer than the national average. Its 28 judges are about twice the recommended number for an appellate circuit.

Any objective view of the ninth circuit is a case study in the phrase "Justice delayed is justice denied." I am optimistic that a commission that studies the ninth will come to the same conclusion: This body will acknowledge

this travesty and finally move for justice for all. •

By Mr. LUGAR (for himself, and Mr. COATS):

S. 284. A bill to amend title 23, United States Code, to improve safety at public railway-highway crossings, and for other purposes; to the Committee on Environment and Public Works.

THE HIGHWAY RAIL GRADE CROSSING SAFETY FORMULA ENHANCEMENT ACT

• Mr. LUGAR. Mr. President, today I rise to introduce legislation to provide a more effective method of targeting available Federal funds to enhance safety at our Nation's most hazardous highway-rail grade crossings.

I first introduced this measure during the 104th Congress following 2 years of work to address a pressing public safety problem occurring in Indiana and other rail-intensive States. It is my hope this important legislation will be given thoughtful and thorough consideration this year as Congress moves to reauthorize the Intermodal Surface Transportation Efficiency Act [ISTEA]. It is unclear what the final program structure will look like, or what the specific Federal role will be in the transportation decision-making process. I will work this year to assure that the goals of this rail safety legislation are incorporated as part of an ISTEA reauthorization bill that creates a more streamlined, flexible Federal highway program to help States maintain safe, effective, and efficient transportation networks.

In America today, several hundred people are killed and thousands more injured every year as a result of vehicle-train collisions at highway-rail grade crossings. A significant number of these accidents occur in rail-intensive States such as Indiana, Illinois, Ohio, California, and Texas. One quarter of the Nation's 168,000 public highway-rail grade crossings are located in these 5 States. They accounted for 38 percent of deaths and 32 percent of injuries caused by vehicle-train collisions nationwide during 1991-1993.

My home State of Indiana ranks sixth in the Nation for number of total public grade crossings with about 6,700, and is annually among the top five States for numbers of accidents and fatalities caused by vehicle-train crashes.

In 1994, I travelled across northern Indiana aboard a QSX-500 locomotive and witnessed what engineers see every day—motorists darting across the railroad tracks before an oncoming train. From this experience, and from my work to improve safety at highway-rail grade crossings, I learned that engineering solutions, along with education and awareness about grade crossing safety, are key strategies that can effectively prevent grade crossing accidents.

Responding to this disturbing national trend, I began working in 1993 with Transportation Secretary Federico Peña and with the Indiana Department of Transportation to address this serious safety problem. We worked to find solutions that would help Indiana and other States make better use of available funds to target the Nation's most hazardous rail crossings.

The Federal Government has played an important role in helping States eliminate accidents and fatalities at public highway-rail intersections since passage of the Highway Safety Act by Congress in 1973. This act created the Rail-Highway Crossing Program, also known as the Section 130 Program. Since the program's inception, more than 28,000 improvement projects have been undertaken—from installation of warning gates, lights and bells, to pavement improvements and grade separation construction projects.

During the 103d Congress, I introduced grade crossing safety legislation to restore States' discretion over millions of Federal highway dollars lost as a result of noncompliance with the Federal motorcycle helmet law. Indiana and other States affected by this law were prohibited from using a portion of their highway construction dollars to improve safety at highway-rail grade crossings. I was pleased the Congress repealed the helmet law penalty in 1995 as part of the National Highway System designation legislation. States now have greater flexibility to use their highway dollars for improvements at rail crossings, and for other transportation priorities.

In March 1994, Senator COATS and I asked the General Accounting Office to conduct a survey of rail safety programs in Indiana and other rail intensive States experiencing a high number of accidents at highway-rail grade crossings. Released in August 1995, the report "Railroad Safety: Status of Efforts to Improve Railroad Crossing Safety" evaluated the best uses of limited Federal funds for rail crossing safety, reviewed policy changes that help State and local governments address rail safety issues, and recommended strategies to encourage interagency and intergovernmental cooperation.

The report found that in addition to States' efforts to reduce accidents and fatalities through emphasis on education programs, engineering solutions, and enforcement of traffic laws, changes to the Federal funding formulas would target highway funds to areas of greatest risk.

Under, ISTEA, the Section 130 Program was continued—with a portion of the 10 percent of a State's STP safety funds dedicated to highway-rail crossing improvement and hazard elimination projects.

The GAO reported that key indicators or "risk factors" used to assess rail-grade crossing safety are not taken into account when STP funds are dis-

tributed among States. The GAO outlined the Federal Highway Administration's [FHWA] work to review options for STP formula changes that adjust the current flat percentage allocation to include these risk factors. Applying these factors to the funding formula creates a more targeted and focused process that maximizes the effectiveness of Federal funds.

The risk factors criteria considered by FHWA include a State's share of the national total for number of public crossings, number of public crossings with passive warning devices, total number of accidents, and total number of fatalities occurring as a result of vehicle-train collisions at highway-rail grade crossings.

For example, while Indiana received 3.4 percent of section 130 funds in fiscal year 1995, the Hoosier State experienced 6.1 percent of the Nation's accidents and 5.9 percent of the fatalities as a result of vehicle-train collisions from 1991 to 1993. In addition, Indiana has about 4 percent of the Nation's public rail crossings.

Preliminary estimates of STP apportionments under a risk-based apportionment formula indicate Indiana's share of section 130 funds could increase by 49 percent, from the fiscal year 1997 level of \$4.9 to \$7.3 million. Overall, about 21 States would receive a substantial increase in section 130 funds for grade crossing improvements, including: Alabama, Arkansas, Georgia, Illinois, Iowa, Kansas, Louisiana, Mississippi, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, South Carolina, Texas, Utah, and Wisconsin.

While the Indiana Department of Transportation [INDOT] spends over \$10 million a year to improve highway-rail grade crossings, a 49-percent increase in section 130 funds would allow INDOT and other State departments of transportation additional resources to improve hazardous highway-rail grade crossings.

The Formula Enhancement Act addresses the allocation problem by adjusting the funding formula for the STP to include an apportionment of funds to States for the section 130 Program based on a 3-year average of these risk factors. I want to express my appreciation to the FHWA and to the Federal Railroad Administration for their valuable assistance in preparing this legislation.

This legislation will help improve the way the Federal Government targets existing resources to enhance safety on our Nation's highways and along our rail corridors. This legislation does not call for new Federal spending, but rather for a more equitable and effective distribution of existing highway funds to States to enhance safety at dangerous highway-rail grade crossings.

This legislation addresses one aspect of the grade crossing safety problem by refining a key provision of the existing ISTEA law. Using this proposal as a foundation, I am hopeful the Congress will craft provisions for the highway

reauthorization bill that recognize the overall efforts of States to implement comprehensive rail safety programs. An effective grade crossing safety program integrates construction improvement projects with driver education and awareness programs, crossing closures, vigorous enforcement of crossing traffic laws and assessments of crossing inventories to identify the most hazardous crossings in a State.

I will work with my colleagues this year to help assure Congress passes highway reauthorization legislation that makes the best use of available Federal resources while encouraging States to continue pursuing comprehensive efforts to address their public grade crossing safety requirements. My intent with this legislation is not to penalize certain States or to create winners or losers in the process of distributing Federal highway funds, but to find the best solution that will eliminate these preventable tragedies.

At this time, it is unclear what direction the next highway authorization bill will take, what the Federal role will be in maintaining the national transportation infrastructure, and what current ISTEA programs will be renewed. Last year, I endorsed Senator WARNER's reauthorization proposal to provide a more streamlined and flexible highway program that returns resources and authority back to the States. My intent with this legislation during this reauthorization process is not to protect a particular highway program or specific Federal set-aside requirement of the expiring ISTEA law, but rather to continue emphasizing an issue of great importance to my State of Indiana and to other States experiencing rail safety problems. I will advocate grade crossing safety as a priority within the context of other key funding and flexibility issues that are vital to the continued safety and mobility of Hoosiers traveling on Indiana roadways. I am hopeful this legislation will reinforce the importance of highway-rail grade crossing safety as the Congress moves forward with the national discussion of U.S. transportation policy for the 21st century.

Continued emphasis on finding new and better ways to target existing resources to enhance safety at highway-rail grade crossings will contribute to the overall effort in Congress and in the States to prevent accidents, save lives, and sustain a balanced and effective transportation network for the Nation.●

● Mr. COATS. Mr. President, Senator LUGAR and I are introducing today legislation which will more effectively direct Federal funding to those States which have the greatest needs with highway-rail grade crossings.

We first introduced this bill in the 104th Congress after recognizing a critical deficiency at rail grade crossings which has contributed senseless, tragic deaths over the years.

This year as the Intermodal Surface Transportation Efficiency Act [ISTEA]

is reauthorized, it is my hope that the committee will seriously consider the needs of rail-intensive States, such as Indiana. While the final structure of ISTEA is still unknown, I will work to ensure that the objectives of this legislation are incorporated in the final highway bill.

Rail transportation is important in Indiana, playing a key role in the State's agriculture and manufacturing economy. Much of the rail activity goes through northwest Indiana which accounts for 75 percent of the State's rail crossing accidents. In 1994, Indiana ranked third in the Nation with 263 rail crossing accidents, resulting in the deaths of 27 people. Six percent of all rail crossing accidents in America took place in Indiana and 5.9 percent of the fatalities occurred there.

Several years ago, I became aware that Indiana and a number of other States had a critical problem with rail accidents. Senator LUGAR and I asked the General Accounting Office [GAO] to examine the safety conditions in States with a high concentration of rail crossings. The GAO report, completed in August 1995, revealed that while Indiana had a large number of rail crossings—6,700, the sixth largest number of all States—the State received only 3.4 percent of the Federal funding available specifically targeted to prevent such tragedies.

The Section 130 Program was established in 1973 to help States reduce accidents, injuries, and fatalities at public railroad crossings. In the first 10 years of the program, accidents declined by 61 percent and deaths were reduced by 34 percent. Since 1985, little progress was made toward further reducing these numbers.

The problem becomes apparent when you realize that many of the States with the highest concentration of crossings, number of accidents, and fatalities receive less money than States that do not have as great a need. Thus, the GAO included that the Federal Government should examine funding formulas and consider using risk factors in determining how to distribute section 130 highway dollars to States for rail safety purposes.

The current formula funding—based on 10 percent of a State's surface transportation program [STP] funding—does not take into account such essential criteria as a State's total number of crossing, amount of train traffic, nor the number of accidents and fatalities. I believe it is critical that these risk factors be considered in determining how much money a State should receive for rail safety under the current funding structure.

The formula enhancement bill would correct this flaw in the current formula. Based on the GAO report and work with the Federal Highway Administration, we crafted this legislation to ensure that States with the greatest risk receive more money. This bill does not increase Federal spending. Rather it ensures that money is tar-

geted to those States with the most serious safety concerns.

Using this more equitable way of disbursing funds, Indiana—which received \$4.9 million in fiscal year 1997—could receive \$7.3 million in fiscal year 1998. Overall, 21 States would benefit substantially from increased funding to help reduce rail crossing accidents.

Clearly, this bill addresses one aspect of law, providing a fairer distribution of resources. But money alone will not solve all the problems related to rail crossing accidents. A comprehensive plan to educate people about the dangers at rail crossings must be developed. I support the efforts of programs like Operation Lifesaver which works effectively to get information to citizens. Continued cooperation among all levels of government: local, State, and Federal is essential to stop these sort of tragedies.

There are many issues facing the Congress this year as we decide funding levels, formulas, and determine the role of the Federal Government in the context of the highway authorization. I supported Senator WARNER's legislation last year to provide for a streamlined, flexible, and equitable highway program. I continue to believe this approach is best for the States to address their fundamental needs and priorities. The STEP-21 proposal would ensure that States receive a fairer return on highway funding and the flexibility to spend the resources according to State and local priorities. My purpose in introducing this rail legislation at this time is to draw attention to this serious problem facing Indiana and other States and to show my determination to make rail crossing safety a priority as we make the key decisions on ISTEA.

We cannot afford to neglect the safety of our citizens at rail grade crossings. We must find ways to address these critical problems. Overall, the safety of our highways and rail is essential as we examine and make decisions on the future of our transportation system. I look forward to working with my colleagues to ensure that our focus is indeed comprehensive in addressing our transportation needs.●

By Mr. SHELBY (for himself, Mr. SESSIONS, Mr. DEWINE, Mr. HUTCHINSON, Mr. COCHRAN, and Mr. SMITH):

S. 285. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income any distribution from a qualified State tuition program used exclusively to pay qualified higher education expenses incurred by the designated beneficiary, and for other purposes; to the Committee on Finance.

#### THE TUITION TAX ELIMINATION ACT

● Mr. SHELBY. Mr. President, today I am introducing legislation, the Tuition Tax Elimination Act, which will help make college more affordable for thousands of young people all across America. I am pleased that Senators SESSIONS, DEWINE, HUTCHINSON, FAIR-

CLOTH, COCHRAN, and SMITH of New Hampshire have joined me as original cosponsors. This bill will eliminate a new Federal tax on the tuition expenses of students participating in State prepaid tuition programs. Here is how the tax came about.

It is no secret that many families in our Nation are struggling to finance their children's education. College tuition costs have skyrocketed in the past decade increasing 95 percent at private institutions and 82 percent at public institutions. Newsweek magazine reported last year that some families will spend more than \$100,000 just to send one child to college.

To combat the high cost of a college education, many States, including Alabama, have set up prepaid tuition funds. These funds allow parents to make a tax-free investment, years in advance of their child's enrollment in college, with the guarantee that the child's tuition will be paid for by the State when he or she enrolls in college.

Last year, the IRS attempted to impose taxes on States operating prepaid tuition funds by claiming that the funds were not legitimate functions of the State and thus not exempt from Federal taxation. If the IRS had been successful in their attempt, many States would have been forced to terminate their prepaid tuition programs.

Fortunately, Senators MCCONNELL, GRAHAM, and I were able to get a provision in the Small Business Job Protection Act which clarified that prepaid tuition programs should not be subject to Federal taxes, since they are a legitimate function of State governments.

At the same time, the IRS was also attempting to impose a tax on the parents' contributions to these State prepaid tuition programs. What the IRS wanted to do was to count the annual increased value of the parents' contribution as income and tax it. Again, Senators MCCONNELL, GRAHAM, and I put a provision in the minimum wage bill last year to prevent the IRS from taking those actions.

However, there was a provision of that bill which I did not support. It provided that when a student enrolls in college under a prepaid tuition plan, the student must pay taxes on the difference between the value of the tuition costs, which are paid by the State, and the amount his or her parent paid for the contract. Essentially, this provision is a new tax on students. I attempted to offer an amendment to strike this provision, but unfortunately, no amendments were in order.

Mr. President, prepaid tuition programs are a creative way many States all across the country have developed to help more young people afford a college education. We need to do everything we can at the Federal level to encourage these types of programs.

The Tuition Tax Elimination Act will do that by relieving students from Federal taxes on their tuition expenses. This legislation will provide

that distributions from qualified prepaid tuition funds are not to be counted as taxable income for the student, as long as the money is spent for the designated purpose.

This legislation is fully paid for with a provision which would suspend the automatic inflation adjustments used to award the earned income tax credit to individuals without children. President Clinton's 1993 tax bill expanded the EITC to cover individuals without children, and currently, a childless individual earning between \$4,220 and \$5,280 is eligible for a maximum EITC amount of \$323. Each year, these income levels are adjusted upward for inflation. Many people have questioned whether we should even be providing the EITC to individuals without children. However, that is a question which can be addressed in other legislation. This offset does not eliminate the EITC for individuals without children; it simply eliminates the annual increase in the EITC calculation for individuals who have no dependents. This provision passed the Senate last year as a part of welfare reform, but it was dropped in conference.

Mr. President, the cost of going to college is now more expensive than ever, and is growing much faster than inflation. Eliminating the tax students will face on their tuition expenses is a real step toward making college more affordable for thousands of young people all across America, and I hope my colleagues join me in support of this legislation. •

By Mr. ABRAHAM (for himself, Mr. LEVIN, Mr. ASHCROFT, Mr. DEWINE, Mr. BOND, Mr. KYL, Mr. FRIST, Mr. NICKLES, Ms. MIKULSKI, Mr. SHELBY, Mr. COATS, Mr. SANTORUM, and Mr. INHOFE):

S. 286. A bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE CORPORATE AVERAGE FUEL ECONOMY STANDARDS ACT OF 1997

• Mr. ABRAHAM. Mr. President, I introduce legislation with Senators LEVIN and ASHCROFT that would freeze the corporate average fuel economy standards—known as CAFE—at current levels unless changed by Congress.

Enacted in 1975, CAFE established Federal requirements regulating the average fleet fuel economy of new passenger cars and light trucks. Now there are a number of reasons why the CAFE standards should continue to be frozen at their current level, and there is a great deal of information available which documents CAFE's harmful effects. Rest assured, I'll touch on both these topics in a moment. But there is one overriding reason this legislation needs to be adopted: control of CAFE standards must reside with the U.S. Congress.

Mr. President, the control of CAFE standards is too great a responsibility

to be entrusted to any entity other than the Congress. CAFE requirements were initiated over 20 years ago in response to an oil crisis that has long since disappeared. New standards would constitute the most tremendous regulation foisted on the automobile industry in over two decades and would require a massive retooling, at great cost, by America's automakers.

This is an industry that employs 2.3 million Americans and is estimated to provide 4.4 percent of this Nation's GDP. Should the authority to impose upon this industry a new regulation with questionable goals and dubious results reside with unelected bureaucrats? Should regulators at the Department of Transportation have the authority to change CAFE standards at any time, for any reason and do so without congressional approval? The answer to these questions is clearly no. Such a decision in my view belongs with this legislature, the body entrusted by our Constitution with the duty to determine whether any proposed policy change is in the best interests of the American people.

The other question we need to ask is why a CAFE increase should be considered at all. When CAFE was instituted, it was part of a larger effort to regulate oil consumption and reduce America's dependence on foreign oil. Today, however, it is clear that CAFE standards failed to achieve this goal. Domestic manufacturers have increased passenger car fuel economy 108 percent and light truck fuel economy almost 60 percent since the mid-1970's. Rather than decreasing during this time, however, oil imports have increased. In 1974 the United States imported 35 percent of its oil—last year this country imported between 45 and 50 percent of its oil.

Now, with CAFE's obvious failure to reduce oil imports, CAFE proponents cite the threat of potential global warming as the major rationale for increasing these standards further. Mr. President, the argument that CAFE standards will prevent or reduce global warming is as weak as the argument that CAFE would reduce this country's reliance on foreign oil.

According to the Congressional Office of Technology Assessment, cars and light trucks subject to CAFE standards account for only one and 1½ percent of global man-made greenhouse gas emissions. Increasing CAFE standards to 40 miles per gallon, as has been discussed, would result in minuscule reductions in emissions—less than one-half of 1 percent.

There can be no doubt, Mr. President, that CAFE standards have failed to reduce America's dependency on foreign oil or significantly reduce greenhouse gas emissions. So what have they succeeded in doing? They have succeeded in putting domestic automobile manufacturers at a competitive disadvantage and putting American families at risk of severe injury and even death.

First, on competitiveness. CAFE standards apply to the average fuel consumption standards for a company's

fleet of cars—that is, the fuel economy for all cars sold in one model year is averaged together to determine the fleet average. Due to the high price of gasoline in Japan, the Japanese have traditionally engineered smaller cars. Consequently their automobile fleets come in below the CAFE standards, thus allowing them to make larger, less fuel-efficient cars and still fall within the CAFE limits for their fleet. According to the National Academy of Sciences, "the CAFE system operated to the benefit of the Japanese manufacturers, and at the expense of the domestic manufacturers." This system continues to this day.

Despite this inequity, the Department of Transportation continues to push for increased CAFE standards, and in 1994 issued an Advanced Notice of Proposed Rule Making that suggested setting light truck CAFE standards for up to 9 years at levels up to 40 percent higher than they are today.

Compounding their potential harm to our light truck industry, these CAFE supporters fail to consider the differences between cars and trucks. Many of the fuel efficient technologies used to make cars more efficient, such as front wheel drive and increased aerodynamics, cannot be used for trucks. Trucks are designed specifically for hauling capacity, off-road use and durability. Only one or two very small trucks currently provide the level of fuel efficiency sought by CAFE proponents, and they account for less than 1 percent of light truck sales. The Department of Transportation's CAFE-mandated changes would negatively affect American manufacturers by reducing the segment of the light-duty truck market—the full-size trucks consumers desire—in which they predominate.

But, important as competitiveness is to our workers and consumers, there is a more important reason to freeze CAFE standards: it will save lives. Why? Because higher CAFE standards will force automobile manufacturers to downsize cars and trucks, and smaller vehicles are more dangerous. Automobile experts estimate that almost 50 percent of the fuel economy gains made since the mid-1970's are attributable to reductions in vehicle size and weight. And what was the cost? In 1991, the National Highway Traffic Safety Administration concluded that vehicle downsizing since the mid-1970's was responsible for an additional 2,000 deaths and 20,000 serious injuries on America's highways every year.

Other studies have reached the same, logical conclusion. To illustrate the relationship between size and safety, the Insurance Institute for Highway Safety studied the occupant death rates of 11 car models that had been downsized since 1977. It found that death rates were higher for 10 of the 11 vehicle types after downsizing. More recently, the institute has determined that, even when equipped with airbags, smaller cars are still less safe than larger cars.

The National Academy of Sciences also understands that emissions controls result in less protection in the event of an accident. According to the Academy, "safety and fuel economy are linked because one of the most direct methods of increasing gas mileage is reducing size and weight."

And what would happen if the new, increased CAFE standards are adopted? A study by the Harvard Injury Control Center estimates that an increase to proposed CAFE levels would result in downsizing that would produce an additional 1,650 deaths and 8,500 serious injuries on our highways every year. This is absolutely unacceptable.

Mr. President, what I find most troubling about efforts to increase CAFE standards is that they are simply unnecessary. American automobile manufacturers are constantly striving to improve their current product and develop innovative new ways to power cars and trucks. And these efforts are beginning to show results. In recent weeks, Chrysler has announced breakthroughs in fuel-cell technology. By converting gasoline into hydrogen, Chrysler's new engine will increase fuel efficiency and reduce tailpipe emissions. Similarly, all three auto makers are working to develop a gas turbine engine that will combine better efficiency, low emissions and quiet performance.

These technological advances are the result of open competition, not Government mandate. This kind of innovation is only produced in a free market. Thus, rather than shackling American manufacturers with costly, outdated regulations, we should be encouraging them to develop new technologies to take the automobile industry into the 21st century.

Mr. President, the National Academy of Sciences has concluded that, "the CAFE approach to achieving automotive fuel economy has defects that are sufficiently grievous to warrant careful reconsideration." This bill is a modest step in that direction. It will permit Congress to carefully consider and debate any increases to CAFE standards rather than allow the administration to change the standards, at any time and for any reason without congressional approval, as is currently the case.

Specifically, this bill will freeze CAFE standards at 27.5 miles per gallon for passenger cars and 20.7 miles per gallon for light-duty trucks. The transportation appropriations conference report we passed last year included a 1-year freeze on CAFE standards. This bill would make that freeze permanent unless changed by Congress.

CAFE standards did not reduce our country's reliance on foreign oil, and they are not saving the planet from ozone depletion. CAFE standards are hurting American manufacturers and putting American families at increased risk of injury or death. All this when the automobile industry has shown itself capable of producing the techno-

logical advances necessary for increased efficiency on its own. Congress should fulfill its responsibility as our Nation's law-making body by protecting the American people from this instance of excessive and counterproductive bureaucratic rule making.

Mr. President, I ask unanimous consent that the full text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 286

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. AVERAGE FUEL ECONOMY STANDARDS.**

Beginning on the date of enactment of this Act, the average fuel economy standards established (whether directly or indirectly) under regulations promulgated by the Secretary of Transportation under chapter 329 of title 49, United States Code, prior to the date of enactment of this Act for automobiles (as that term is defined in section 32901 of title 49, United States Code) that are in effect on the day before the date of enactment of this Act, shall apply without amendment, change, or other modification of any kind (whether direct or indirect) for—

(1) the model years specified in the regulations;

(2) the applicable automobiles specified in the regulations last promulgated for such automobiles; and

(3) each model year thereafter; until chapter 329 of title 49, United States Code, is specifically amended to authorize an amendment, change, or other modification to such standards or is otherwise modified or superseded by law.●

By Mr. HOLLINGS:

S. 287. A bill to require congressional approval before any trade agreements entered into under the auspices of the World Trade Organization; to the Committee on Finance.

THE APPROVAL OF TRADE AGREEMENTS ACT OF 1997

Mr. HOLLINGS. Mr. President, I rise today to restore the constitutional balance to our trade policy and preserve the Congress' constitutional obligation to regulate foreign commerce. The bill I introduce requires that before a trade agreement negotiated under the auspices of the World Trade Organization is accorded the force of law, it must be ratified by the Congress. It is a simple bill, but I believe it protects a fundamental principle of our democracy, the separation of powers.

By Mr. DORGAN:

S. 288. A bill to amend the Internal Revenue Code of 1986 to provide families with estate tax relief, and for other purposes; to the Committee on Finance.

THE FAMILY ESTATE TAX RELIEF ACT OF 1997

● Mr. DORGAN. Mr. President, I introduce the Family Estate Tax Relief Act of 1997. This legislation is nearly identical to my bill from the 104th Congress with one major change.

My new legislation still targets substantial estate tax relief to help preserve one of our Nation's most impor-

tant economic assets—its family run small businesses. But it also increases the existing \$600,000 unified estate and gift tax credit, which is available to everyone.

Of course, increasing the unified credit will further reduce the estate tax burden now imposed on many families trying to transfer their businesses to the next generation. It also will help any families wishing to pass along to the children or grandchildren some stock, proceeds from a life insurance policy or other assets acquired over many years.

The main thrust of this legislation remains the preservation of family farmers and other family run businesses. These businesses are the major creators of new wealth and jobs in this country. However, they face a number of obstacles to succeeding, ranging from price gouging by tough international competitors to excessive U.S. regulations. That is why it is not surprising to find, for example, that we have lost some 377,000 family farms since 1980, a decline of some 23,500 family farms every year.

Since 1980, we have lost some 9,000 of our family farms in North Dakota. At the same time, we see that only a small fraction of other family run businesses survive beyond the second generation.

When families have to sell their farms or board up their Main Street businesses, those families lose their very livelihood. Moreover, our communities lose the jobs and services those family businesses provide.

I have been approached on many occasions at town meetings by North Dakotans who say it is virtually impossible for them to pass along their farm or business—which has been the family's major asset for decades—to their children because of the exorbitant estate taxes they would pay. They think it is unfair, and I agree.

Unfortunately, our estate tax laws force many family members who inherit a modestly sized farm, ranch, or other family business to sell it, or a large part of it, out of the family in order to pay off estate taxes. This is especially onerous when the inheriting family members have already been participating in the business for years and depend upon it to earn a living.

I think that we must take immediate steps to breathe new economic life and opportunities into our family businesses and the communities in which they operate. It seems to me that a good first step is correcting our estate tax laws so they do not unfairly penalize those working families.

There are a few provisions included in our estate tax laws to help a family keep its business running long after the death of the original owner. But for the most part, these provisions are either too modest or too narrowly drawn to do much good.

Now I also understand that there are some complicated estate tax planning techniques available for those wealthy

enough to hire sophisticated and costly tax advisors. Clearly some estate planning devices may reduce the estate tax burden imposed on some family businesses upon the death of a principal owner. But for those less affluent families inheriting a family business—where such estate planning tools were unavailable for whatever reason—the estate taxes will ultimately force them to amass a pile of debt, or to sell off all or a large part of a family business, just to pay off their estate taxes. I think that this is wrong, and it runs counter to the kinds of policies that we ought to be pursuing in support of our family-owned businesses.

That is why I am introducing the Family Estate Tax Relief Act to rectify this matter, and I urge my colleagues to consider joining me in this endeavor.

The Family Estate Tax Relief Act of 1997 would provide three significant measures of estate tax relief to those families hoping to pass along their businesses or other assets to the next generation.

First, my bill would increase the existing unified estate and gift tax credit from \$600,000 today to \$1,000,000 in the year 2004. The amount of the existing credit has not been changed for nearly a decade, and its benefit has been reduced by more than 35 percent due to inflation over this period. Moreover, even 3-percent inflation for another 7 years will rob an additional 20 percent of the real value of the unified credit. This provision will prevent erosion of the credit's real value by inflation.

Second, my bill allows a decedent's estate to exclude up to the first \$1,000,000 of value of the family business from estate taxes so long as the heirs continue to materially participate in the business for many years after the death of the owner. The full benefit of this new \$1,000,000 exclusion is available to couples trying to pass along the family business without the complicated tax planning tailored to one spouse or the other that is sometimes used today.

Together, these two proposals would eliminate estate tax liability on qualifying family business assets valued up to \$2.0 million. This would eliminate the burden of estate taxes for the majority of family run businesses.

Third, my bill would allow the executor of a qualifying estate who chooses to pay estate taxes in installments to benefit from a special 4-percent interest rate on the payment of estate taxes attributable to a family business worth between \$2.0 and \$3.0 million. In other words, my bill would also lighten the estate tax burden on the next \$1 million of estate assets.

The parts of my legislation targeted to family run businesses expand upon the well-tested approaches found in sections 2032A and 6601(j) of the Tax Code.

For example, we currently provide a special-use calculation for valuing real estate used in a farm or other trade or

business for estate tax purposes, where a qualifying business is passed along to another family member after the death of the owner. To benefit from the special-use formula under section 2032A, the inheriting family member must continue to actively participate in the business operation. If the heir ceases to participate in the business, he or she may face a substantial recapture of the estate taxes which would have been paid at the time of the original owner's death.

In enacting this provision, Congress embraced the goal of keeping a farm or other closely held business in the family after the death of the owner. However, in the case of family farms, special-use valuation primarily helps those farms adjacent to urban areas, where the value of the land for non-farm uses is often much higher. But section 2032A does not help many farms located in truly rural areas of the country where farming is the land's best use. This provision also provides little help for families transferring other nonfarm small businesses under similar circumstances. My legislation would correct these glaring shortfalls in current law.

In addition, my bill would increase the benefit of the existing preferential interest rates under section 6601(j) that apply to farms and other closely held businesses. The benefits of the current provision have been significantly reduced by inflation over the past several decades, and my bill simply increases the amount of estate taxes that qualify for a special 4-percent interest rate if paid to the IRS in installment payments over time.

Moreover, my bill includes several safeguards to ensure that its tax benefits are truly targeted at the preservation of most family businesses.

Finally, I plan to offset any estimated revenue losses from this bill by offering another legislative package to close a number of outdated or unnecessary tax loopholes for large multinational corporations doing business in the United States. As a result, passing my estate tax relief proposals will not increase the Federal deficit. But passing the Family Estate Tax Relief Act will help to preserve the economic backbone of this country and to help thrifty parents to help their children.

Again, I urge my colleagues to join me in supporting this much-needed legislation.●

By Mr. MURKOWSKI (for himself, Mr. INOUE, Mr. AKAKA, Mr. STEVENS, and Mr. THOMAS):

S. 290. A bill to establish a visa waiver pilot program for nationals of Korea who are traveling in tour groups to the United States; to the Committee on the Judiciary.

THE KOREA VISA WAIVER PILOT PROJECT ACT OF 1997

Mr. MURKOWSKI. Mr. President, today I, along with Senators STEVENS, INOUE, AKAKA and THOMAS, am introducing the Korea Visa Waiver Pilot Project Bill of 1997."

This bill addresses the problem of the slow issuance of United States tourist visas to Korean citizens. Koreans typically wait up to 3 weeks to obtain tourist visas from the United States Embassy in Seoul. As a result, most of these spontaneous travelers decide to vacation in one of the other 48 nations that allow them to travel to their country without a visa, including both Canada and New Zealand.

This legislation provides a carefully controlled pilot program of visa-free travel by small groups of Koreans to the United States. The program seeks to capture the Korean tourism market lost due to the cumbersome visa system. For example, New Zealand experienced a 2,400-percent increase in tourism from Korea after easing its visa requirements in 1993.

The pilot program is designed to allow visitors in a tour group from South Korea to travel to the United States without a visa for up to 15 days. However, it does not compromise the security standards of the United States. The program would allow selected travel agencies in Korea to issue temporary travel permits based on applicants meeting the same preset standards used by the United States Embassy in Seoul. The travel permits could only be used by supervised tour groups.

While the pilot project would allow small Korean tour groups to travel to the United States without visas, the project includes many restrictions. These are:

The Attorney General and Secretary of State can terminate the program if the overstay rates in the program are over 2 percent.

The stay of the visitors is less than or equal to 15 days.

The visitors must have a round-trip ticket and arrive by a carrier that agrees to return them if they are deemed inadmissible.

The Secretary of State should institute a bonding and licensing requirement that each participating travel agency post a substantial performance bond and pay a financial penalty if a tourist fails to return on schedule.

The on-time return of each tourist in the group would be certified after each tour.

Security checks will be done to ensure that the visitor is not a safety threat to the United States.

This legislation's restrictions ensure that the pilot program will be a successful program, and one that I hope will entice more Korean tourists to visit the United States.

By Mr. BYRD:

S.J. Res. 15. A joint resolution proposing an amendment to the Constitution of the United States to clarify the intent of the Constitution to neither prohibit nor require public school prayer; to the Committee on the Judiciary.

PUBLIC SCHOOL PRAYER CONSTITUTIONAL AMENDMENT

Mr. BYRD. Mr. President, the English word "irony" comes to us from an Ancient Greek word meaning "a dissembler in speech."

The English word "irony" is defined as the contrast between something

that somebody thinks to be true, as revealed in speech, action, or common wisdom, and that which an audience or a reader knows to be true.

Mr. President, permit me to give an example.

If anyone in the hearing of my voice will take out a U.S. one-dollar bill and turn that one-dollar bill over onto its obverse side, he or she will read in clear script, "In God We Trust."

Permit me to introduce another example.

Every day of each new meeting of the Senate and House of Representatives, an official chaplain of each of those two chambers of Congress—or a designated substitute—will stride to the dais and address a sometimes elegant prayer to the Deity.

Again, every day in courtrooms across this country, hundreds of witnesses will take their place at the front of the court chamber, put their hands on incalculable numbers of Bibles, and swear to tell the truth, "... so help me God."

We do the same. I have done it many times in my 50 years of service and elected office. We stand and swear on oath to support and defend the Constitution of the United States, "so help me God."

Additionally, daily, thousands of men and women, in a variety of groups and millions upon millions of boys and girls in our schools will pledge allegiance to our flag, uttering, among other words, the words "under God." I was a member of the House of Representatives in June 1954, when the House of Representatives, I believe on June 7th of that year, added the words "under God" to the Pledge of Allegiance to the Flag. The next day, the Senate adopted a similar amendment, and then, on June 14, the measure was signed into law adding the words "under God." I will always be proud of the fact that I was a Member of the Congress of the United States when those words were added to the Pledge of Allegiance—"one nation under God." Both Houses added the words "under God."

Here is the irony. In spite of that chain of rituals I have just related, in situation after situation, anecdotal and documented both, public school authorities, ostensibly following rulings of the Supreme Court dating from at least the 1960's, have prohibited the utterance of prayers at school functions, in classrooms, or even in groups or privately on public school property.

As I read my U.S. Constitution—and here it is—such a prohibition of prayer in school flies in the face of the first amendment, which declares that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof. . . ."

Please note those words again: "... or prohibiting the free exercise thereof. . . ."

That passage was explicitly written into our Bill of Rights at the insistence of none other than James Madison, based on direct appeals to Madison

by baptist ministers in Virginia, who had been forced to support the official State church during the colonial era, and whose practice of their own religious choice had been officially denied, proscribed, or penalized by colonial officials.

It is ironic that from that understandable constitutional safeguard in support of the free exercise of religious faith, opponents of any religion have turned that passage of the First Amendment on its head to prohibit—I say prohibit—the free exercise of religion in our public life and, particularly, to drive religious faith out of our public schools.

It is equally ironic that, as religion is making a public resurgence in the long-atheistic former Soviet Union, our Nation, whose protofoundations stand on the sacrifices of hundreds of thousands of early colonists whose primary inspiration in coming to America in the first—Congregationalists, Calvinists, Baptists, Jews, Catholics, Orthodox, and others—whose primary purpose in coming to America in the first place, I repeat, was a yearning for religious liberty against those who would deny them the right of religious liberty—that our Nation should be embarked on a course which, in effect, denies religious liberty to many of our citizens.

Mr. President, I have heard increasing concerns about the lack of moral orientation among so many younger Americans—about a rising drug epidemic among our children, about rampant sexual promiscuity, about children murdering children, about gangs of teenage thugs terrorizing their neighborhoods, and about a pervading moral malaise among youth in both our inner cities and suburbs.

Is there any wonder that so many young Americans should be drifting with seemingly no ethical moorings in the face of an apparent effort to strip every shred of recognizable ethics, of teachings about values, and spirituality from the setting in which those young Americans spend most of their waking hours—our public schools?

Mr. President, in an effort to restore something of a spiritual balance to our public schools and to extracurricular activities in our public schools, I am today introducing a joint resolution to propose an amendment to the Constitution clarifying the intent of the Constitution with regard to public school prayer.

My amendment is an effort to make clear that neither the Constitution, or the amendments thereto, require, nor do they prohibit, voluntary prayer in the public schools or in the extracurricular activities of the public schools.

Let me read my amendment. Let me read my proposed amendment. It is very short, very brief, very much to the point:

Nothing in this Constitution, or amendments thereto, shall be construed to prohibit or require voluntary prayer in public

schools, or to prohibit or require voluntary prayer at public school extracurricular activities.

So anyone who fears that the language of this amendment would allow public schools to mandate the recitation of daily prayer, or that school administrators will become the authors of such prayers, need not worry. Have no fear. You need not lose a moment of sleep. This amendment does not supplant the clear proscription contained in the "establishment" clause of the First Amendment. My amendment is an effort to make clear that the words that the Constitution uses with regard to religious freedom do not mean that voluntary prayer is prohibited from our public schools or our public school activities.

As I shall one day state on this floor, all of the Presidents in their inaugural speeches, and/or in other documents and writings, have referred to the Deity, referred to the Almighty God, to Providence, all of them. I shall read from the words of each President's inauguration speech in which he refers, in one way or another, to God Almighty, the Great Judge of the world. We read those references in the Declaration of Independence and the Mayflower Compact, and all of the State constitutions, as I shall show upon another occasion. Then to say that the schoolchildren of the Nation cannot enter into voluntary prayer in the public schools, or during commencement exercises is absurd, absurd, utter nonsense.

In short, I hope to end the three-decades-long tyranny of the minority in denying to the majority of Americans the least vestige of the exercise of a liberty otherwise guaranteed by the Constitution—the right of believing children in our public school system to pray in accordance with their own consciences and in the privacy of their voluntary associations within our public schools. That right I sincerely believe the Constitution already grants, but I want to spell out in that same Constitution by way of an amendment that permission to pray voluntarily in our public schools does not constitute "an establishment of a religion."

To deny any schoolchild in this country the right to voluntarily pray in academics maintaining that that constitutes establishment of religion is pure nonsense.

With introduction, and I hope eventual adoption of my amendment, we can finally begin the 7-year long process to answer the peoples' concerns. We can begin to restore the spiritual compass that has been lost in the lives of so many of our citizens. And, most importantly, we can begin to return to our children the moral orientation they so desperately desire.

Tennyson said, "More things are wrought by prayer than this world dreams of."

So, Mr. President, I urge those who want to deliver on the wishes of the American people to join me in this effort.

I send to the desk my amendment, and ask that it be printed and referred appropriately to committee.

I yield the floor.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 15

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:*

“ARTICLE —

“SECTION 1. Nothing in this Constitution, or amendments thereto, shall be construed to prohibit or require voluntary prayer in public schools, or to prohibit or require voluntary prayer at public school extracurricular activities.”.

#### ADDITIONAL COSPONSORS

S. 6

At the request of Mr. SANTORUM, the names of the Senator from Montana [Mr. BURNS] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 6, a bill to amend title 18, United States Code, to ban partial-birth abortions.

S. 11

At the request of Mr. DASCHLE, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 11, a bill to reform the Federal election campaign laws applicable to Congress.

S. 15

At the request of Mr. LEAHY, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 15, a bill to control youth violence, crime, and drug abuse, and for other purposes.

S. 18

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 18, a bill to assist the States and local governments in assessing and remediating brownfield sites and encouraging environmental clean-up programs, and for other purposes.

S. 25

At the request of Mr. FEINGOLD, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 25, a bill to reform the financing of Federal elections.

S. 213

At the request of Mr. LEAHY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 213, a bill to amend section 223 of the Communications Act of 1934 to repeal amendments on obscene and harassing use of telecommunications facilities made by the Communications Decency Act of 1996 and to restore the provisions of such section on such use in effect before the enactment of the Communications Decency Act of 1996.

S. 253

At the request of Mr. LUGAR, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 253, a bill to establish the negotiating objectives and fast track procedures for future trade agreements.

SENATE JOINT RESOLUTION 2

At the request of Mr. HOLLINGS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of Senate Joint Resolution 2, a joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections.

#### AMENDMENTS SUBMITTED

#### THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

#### DURBIN AMENDMENT NO. 2

Mr. DURBIN proposed an amendment to the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States to require a balanced budget; as follows:

On page 3, between lines 11 and 12, insert the following:

“The provisions of this article may be waived for any fiscal year in which there is an economic recession or serious economic emergency in the United States as declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.”

#### NOTICES OF HEARINGS

##### COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Tuesday, February 11, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is “Health Insurance Portability and Accountability Act (HIPAA) Oversight.” For further information, please call the committee, 202—224-5375.

##### COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Committee on Small Business will hold two hearings on February 12, 1997. The first hearing entitled “Nomination of Aide Alvarez to be Administrator of the United States Small Business Administration” will begin at 9:30 a.m. The second hearing entitled “The President’s Fiscal Year 1998 Budget Request for the United States Small Business Administration” will begin at 10:30 a.m. Both hearings will be held, in room 428A of the Russell Senate Office Building.

For further information, please contact Louis Taylor at 224-5175.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ARMED SERVICES

Ms. SNOWE. Mr. President, I ask unanimous consent that the Com-

mittee on Armed Services be authorized to meet at 10 a.m. on Thursday, February 6, 1997, to receive testimony on the worldwide threat facing the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, February 6, 1997, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. the purpose of this hearing is to consider S. 210, to amend the Organic Act of Guam, the Revised Organic Act of the Virgin Islands, and the Compact of Free Association Act, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON RULES AND ADMINISTRATION

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate to receive testimony from committee chairman and ranking members on their committee funding resolutions for 1997 and 1998 on Tuesday, February 4, Wednesday, February 5, and Thursday, February 6, all at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### COMMITTEE ON SMALL BUSINESS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for a hearing entitled “Women-Owned and Home-Based Businesses” on Thursday, February 6, 1997, which will begin at 9:30 a.m. in room 428A of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

##### SELECT COMMITTEE ON INTELLIGENCE

Ms. SNOWE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, February 6, 1997 at 2:30 p.m., to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADDITIONAL STATEMENTS

CONGRATULATIONS TO FATHER GEORGE SHALHOUB, ST. MARY’S ANTIOCHIAN ORTHODOX CHURCH, LIVONIA, MI

• Mr. ABRAHAM. Mr. President, I rise today to offer my sincere congratulations to Father George Shalhoub, pastor and spiritual leader of St. Mary’s Antiochian Orthodox Church in Livonia, MI. Father George will be celebrating 25 years as pastor at St.

Mary's on Saturday, February 15, 1997. In addition to his pastoral duties, Father George is a faculty member at Madonna University and is on the board of directors of many Michigan community service organizations.

Father George's life has been filled with many wonderful events. Born in Hama, Syria, he came to the United States at the age of 20. He married his lovely wife Nina weeks before his ordination. One week after his ordination, Father George was assigned to St. Mary's, a brandnew parish without land and a church. In the following years, the couple arranged for the purchase of land in Livonia and the construction of the church. The process culminated in the joyous first Sunday of Great Lent in 1976, when Father George celebrated the first divine liturgy in the new building. The church was formally dedicated on May 1, 1977 by the Most Reverend Metropolitan Philip, Primate of the Antiochian Orthodox Christian Archdiocese of North America.

For Father George, devotion to his family has always come hand in hand with his religious dedication. He has been blessed with four wonderful children: Lila Ann, Alex George, Alexa Marie, and Christa Katherine. Despite his busy family and liturgical schedule, Father George managed to find the time to pursue scholastic endeavors as well. He earned a bachelor of science degree in sociology and psychology from Eastern Michigan University; a master of theological studies degree from St. John's Provincial Seminary; and a doctor of ministries in pastoral counseling from the Graduate Theological Foundation in Notre Dame, IN.

As Father George's family has grown and prospered, so has his parish community. In 1980, St. Mary's added six Sunday school classes in the fellowship building and a new social hall. The groundbreaking for St. Mary's Cultural Center was presided over by Metropolitan Philip on May 8, 1988. The Cultural Center was completed in 1991, and dedication ceremonies were held later that year, again under Metropolitan Phillip. The success of the 2,000-family parish was made most evident in June 1995, when St. Mary's hosted the 48th annual midwest parish life conference.

Father George has always been known as a man with great strength of character. That strength was severely tested on April 5, 1996, when St. Mary's was consumed by fire. The fire could not have come at a worse time—it occurred right in the middle of Holy Week. It was a major blow to the parish, but Father George responded fantastically. He moved services to St. Michael Russian Orthodox Church and immediately began arranging for repairs. Thanks to Father George's hard work and dedication, parishioners were able to return to St. Mary's on October 6, 1996. And the work wasn't limited to restoration. Plans are now underway to build a new chapel and a K through 8 private school.

I have had the pleasure of personally knowing Father George for many years. During that time I have sought his spiritual advice and guidance. His pastoral, scholastic, and fatherly attributes are evident in everything he does. The State of Michigan is very lucky to have Father George amongst its citizens, and all Americans should be very proud of his accomplishments. Congratulations, Father George, on 25 years of success, dedication, and love. I would like to conclude by offering my hope that the next 25 years are just as blessed and fruitful as the previous 25 have been.●

#### NOMINATION OF SEVEN MASSACHUSETTS PUBLIC SCHOOLS FOR RECOGNITION AS BLUE RIBBON SCHOOLS

● Mr. KERRY. Mr. President, I commend the attention of my colleagues in the Senate to seven public elementary schools in my home State of Massachusetts which have been nominated for recognition as Blue Ribbon Schools.

This week, in his State of the Union Address, President Clinton called on us to make education the first priority of this Nation, as we enter the 21st century. I could not agree more.

Fortunately, as I have traveled throughout Massachusetts in the last few years, and particularly last year, it has been very apparent to me that many communities have already taken on the President's challenge. In scores of neighborhoods throughout the Commonwealth, parents, schoolchildren, teachers, principals, and community volunteers are working with infectious enthusiasm to make their schools the best in the world.

Each of the seven schools which the Commonwealth of Massachusetts has nominated for the Blue Ribbon Schools Award this year has demonstrated that we can achieve high standards in education in this country, and that we can make good public schools a fundamental building block of strong, vibrant communities.

The seven schools are located in communities all over Massachusetts, and represent Massachusetts in all its diversity: the Mason Elementary School in Boston; the Blanchard Memorial School in Boxborough; the Emerson Elementary School in Malden; the Tisbury School on Martha's Vineyard; the Johnson Elementary School in Natick; the Steward Elementary School in Topsfield; and the Jacob Hiatt Magnet School in Worcester.

Each school has embraced high standards and welcomed innovation in teaching; but, more important, each has brought parents, teachers, schoolchildren and the community together to make school an exciting place where children can learn, want to learn, and do learn.

The U.S. Blue Ribbon Schools Review Panel will make its decision on the winners of this year's Blue Ribbon

Schools Award in a matter of weeks. Regardless of the decision, we in Massachusetts are proud of our nominees. They have established themselves as leaders, and I am confident that many other Massachusetts schools will follow in their path of excellence.●

#### REMEMBERING ALBERT WOHLSTETTER

● Mr. KYL. Mr. President, on January 10, 1997, Albert Wohlstetter passed away. His death is a great loss—not only to his family and friends—but to our Nation, which has benefited over many decades from his intellectual brilliance, vision, and moral clarity.

For more than 40 years, Albert Wohlstetter was involved in all aspects of U.S. national security policy. Presidents, from Truman to Bush, profited from his analysis of major defense and foreign policy issues. What students of strategic policy, what policymakers in the Pentagon have not read, "The Delicate Balance of Power"—and been awed by his penetrating insight? It speaks to his extraordinary, visionary intellect that he influenced so many from outside the beltway. Albert never joined any administration; he was never willing to take a position that may require compromise between truth and the demands of politics.

As we approach the next century and the challenges it brings, we should keep in mind that Albert Wohlstetter was one of the staunchest champions of "peace through strength"—before the term became popular during the Reagan administration. Albert cautioned against the folly of seeking security in arms control agreements, and advocated placing our trust in America's military strength and technological ingenuity.

As we look back on his article, "Spreading the Bomb Without Quite Breaking the Rules," we can see so clearly that Albert was also ahead of his time—recognizing in the mid-1970's that the Nuclear Nonproliferation Treaty's peaceful nuclear cooperation provisions would fuel the proliferation of nuclear technology. As a result, America, our friends and allies are faced today with a growing number of countries who possess or are on the way to possessing, nuclear weapons.

Whether he was analyzing strategic issues or unveiling the hypocrisy of Western policies in Bosnia and Herzegovina, one could be sure of two things: Albert Wohlstetter was intellectually honest and thoroughly principled. For 4 long years, in countless articles, Albert reminded our leaders that with America's superpower status came not only vast military strength, but immense moral responsibility—and for those reasons, allowing a small nation in the center of Europe to become the victim of genocide was unconscionable.

Mr. President, I have barely scratched the surface of Albert

Wohlstetter's tremendous contributions to our Nation. I ask that the eulogy given by Richard Perle, former Assistant Secretary of Defense, be printed in the RECORD.

The eulogy follows:

ALBERT WOHLSTETTER, 1913-1997

(By Richard Perle)

Not long before he died, Albert amused himself and—anyone who would listen—by reading a poem by Wallace Stevens called *Six Significant Landscapes*. Joan and Roberta thought I should read it here. And when they faxed it to me in Washington, I knew why: you can't hear this short poem without thinking about Albert, without seeing, in your mind's eye, that wonderful, warm, engaging smile which, prompted by a recollection or an idea or a phrase, would fill a room. So here it is, *Landscape Six*:

Rationalists, wearing square hats  
Think, in square rooms,  
Looking at the floor,  
Looking at the ceiling.  
They confine themselves  
To right-angled triangles,  
If they tried rhomboids,  
Cones, waving lines, ellipses—  
As, for example, the ellipse of the half-moon—  
Rationalists would wear sombreros.

Had I'd known the poem, or read it before telling a New York Times reporter on Sunday that Albert was a rationalist, I would have added that he was a rationalist who wore a sombrero. Because if there is one thing Albert never did, it was to wear square hats or confine himself to right-angles. Albert, in fact, never confined himself, period. His vision was wholly original, never conventional. And it was vast. Whether the subject was the design of strategic forces or the future of technology or the inadequacy of treaties and agreements or the implications of new systems of communication, or income distribution as a function of race or nuclear proliferation or the impact of topography on the stability of peace in Bosnia, Albert saw old issues in new lights—and new issues before anyone else.

Albert's refusal to accept the conventional wisdom on any subject fueled his unrelenting drive to comprehend, to know, to learn, to understand. Thus he spent a lifetime searching for evidence, digging for facts, unearthing details. His appetite for documents was voracious. Maps, charts, statistics, studies, findings, testimony—he devoured them all, and on every conceivable subject. And thanks to Roberta—a wellspring of warmth, affection, wisdom and such order as could be detected at Woodstock Road—the ever rising flood of material that eventually forced the purchase of a second house, was there when needed.

As so many here know well, Albert's capacity to assemble, analyze and absorb mountains of information was limitless. This was bad news indeed for those square hats who made the mistake of blundering into debates with him: anything they had ever said or done was certain to be dissected and delivered back. It would hit one right between the eyes. Whether in articles or briefings or congressional testimony or professional panels, when Albert set out to make a point, the holders of opposing—especially conventional—views were well advised to take cover. And all the while, over decades of intense debate and controversy, Albert conducted the discussion of public policy with style and wit, with humor and civility and,

above all, with reason and integrity. He was on the front lines in countless battles over public policy for decades. Yet not once, in the nearly 40 years I was privileged to know him, did Albert exhibit even a sliver of the small minded, ill-tempered discourse that so often characterized the debate over issues of strategy. For half a century, the high ground was his.

Albert's scoffing at conventional thinking sometimes had its humorous side. A few years ago, when Leslie and I were visiting at 2805 Woodstock, I watched Sam Tanaka, the Wohlstetter's Japanese gardener, hard at work planting something with great difficulty while muttering a stream of what I suspected were Japanese expletives. "What are you doing?" I asked. "Oh," he said, resignedly, "every year Mr. Wohlstetter makes me plant water chestnuts. Every year I tell him water chestnuts don't grow in southern California. He won't listen. 'Try again,' he tells me. Ten years—no water chestnuts."

Albert's motto might well have been "All the world's a school and all the people in it merely students." For he made students of us all. It didn't take one very long to understand that Albert's towering intelligence and vast knowledge were gifts he felt impelled to share. I was in the eleventh grade at Hollywood High School when I had my first Wohlstetter tutorial, standing by the swimming pool at Woodstock Road. "The Delicate Balance of Terror" had recently appeared in *Foreign Affairs*, and Albert had just completed 80 or 90 classified briefings over many weeks in Washington. What a marvel of precision and compression that article was, and how intricate and subtle was the underlying analysis. I would never have pursued a career in strategic policy without Albert's patient, gentle, generous teaching which began one day in 1958 and continued for 40 wonderful years. And I might be a good deal thinner if Albert had been less successful instructing me in the joys of the *Michelin Guide*.

To those of us who were fortunate enough to be his students, Albert had so very much to teach, not only about his chosen field, but about history and economics and music and art and architecture and food and wine and, for the really smart ones, mathematics and mathematical logic. There was hardly a subject about which Albert did not know a great deal and—invariably what was most important. Above all, he taught us the importance of accuracy and precision. He believed that one earned the right to comment the old fashioned way—by setting and meeting the highest standards of rigor and objectivity.

I won't even attempt to catalogue Albert's extraordinarily rich intellectual legacy. He tackled a succession of vexing, complex issues of public policy from the early days at RAND in the 1950's until his death last Friday. He brought clarity and wisdom to everything he studied. But I do want to say a word about Albert's most recent work concerning Bosnia.

No one worked harder than Albert to make the case for protection and just treatment for the victims of aggression in Bosnia, or to explain the broad implications of a failure to do so. In his eighties, when most men shed burdens rather than acquire them, Albert took upon himself the burden of gathering, analyzing and publishing the facts about the genocide in Bosnia and fitting those facts into the context of western security and values. In his customary manner, he worked tirelessly, night and day, for a distant people about whose plight he came to know everything important. His articles in the *Wall Street Journal* and elsewhere, his advice and

counsel to others, his mobilization of friends, colleagues and students in the Bosnia cause were a wonderful, moving testimony to his sense of rectitude. And his singular effectiveness in shaping the opinion of thoughtful people around the world is a tribute to the power of a great mind hard at work.

As he confronted the nightmare in Bosnia, I was never prouder of my friend and teacher.

In all its depth and richness, Albert's life was in every sense a partnership. He and Roberta taught us all how far beyond the sum of its parts a marriage so whole and complete can reach. Those of us who marveled over the years at their seamless collaboration know that it was no bow to the feminist movement when Ronald Reagan awarded the Presidential Medal of Freedom jointly to Albert and Roberta.

Albert had many favorite things, among them a poem by Dylan Thomas. It goes like this:

Do not go gentle into that good night,  
Old age should burn and rave at close of day;  
Rage, rage against the dying of the light.  
Though wise men at their end know dark is right,  
Because their words had forked no lightning they  
Do not go gentle into that good night.  
Good men, the last wave by, crying how bright  
Their frail deeds might have danced in a green bay,  
Rage, rage against the dying of the light.  
Wild men who caught and sang the sun in flight,  
And learn, too late, they grieved it on its way,  
Do not go gentle into the good night.  
Grave men, near death, who see with blinding sight  
Blind eyes could blaze like meteors and be gay,  
Rage, rage against the dying of the light.  
And you, my father, there on the sad height,  
Curse, bless, me now with your fierce tears,  
I pray.  
Do not go gentle into the good night.  
Rage rage against the dying of the light.●

#### COMMISSION ON STRUCTURAL ALTERNATIVES FOR THE FEDERAL COURTS OF APPEALS—S. 248

● Mrs. FEINSTEIN. Mr. President, on January 30, with my distinguished colleague, HARRY REID, I introduced S. 248, to establish a Commission on Structural Alternatives for the Federal Courts of Appeals. I now ask that it be printed in the RECORD.

The text of the bill follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. ESTABLISHMENT AND FUNCTIONS OF COMMISSION.

(a) ESTABLISHMENT.—There is established a Commission on Structural Alternatives for the Federal Courts of Appeals (hereinafter referred to as the "Commission").

(b) FUNCTIONS.—The functions of the Commission shall be to—

(1) study the present division of the United States into the several judicial circuits;

(2) study the structure and alignment of the Federal Court of Appeals system, with particular reference to the Ninth Circuit; and

(3) report to the President and Congress its recommendations for such changes in circuit boundaries or structure as may be appropriate for the expeditious and effective disposition of the caseload of the Federal Courts of Appeals, consistent with fundamental concepts of fairness and due process.

## SEC. 2. MEMBERSHIP.

(a) COMPOSITION.—The Commission shall be composed of 12 members appointed as follows:

(1) Two members appointed by the President of the United States.

(2) Two members appointed by the Chief Justice of the United States.

(3) Two members appointed by the Majority Leader of the Senate.

(4) Two members appointed by the Minority Leader of the Senate.

(5) Two members appointed by the Speaker of the House of Representatives.

(6) Two members appointed by the Minority Leader of the House of Representatives.

(b) APPOINTMENT.—The members of the Commission shall be appointed within 60 days after the date of the enactment of this Act.

(c) VACANCY.—Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(d) CHAIR.—The Commission shall elect a Chair and Vice Chair from among its members.

(e) QUORUM.—Seven members of the Commission shall constitute a quorum, but 3 may conduct hearings.

## SEC. 3. COMPENSATION.

(a) IN GENERAL.—Members of the Commission who are officers, or full-time employees, of the United States shall receive no additional compensation for their services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

(b) PRIVATE MEMBERS.—Members of the Commission from private life shall receive \$200 per diem for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

## SEC. 4. PERSONNEL.

(a) EXECUTIVE DIRECTOR.—The Commission may appoint an Executive Director who shall receive compensation at a rate not exceeding the rate prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) STAFF.—The Executive Director, with approval of the Committee, may appoint and fix the compensation of such additional personnel as he determines necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service or the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Compensation under this subsection shall not exceed the annual maximum rate of basic pay for a position above GS-15 of the General Schedule under section 5108 of title 5, United States Code.

(c) EXPERTS AND CONSULTANTS.—The Executive Director may procure personal services of experts and consultants as authorized by section 3109 of title 5, United States Code, at

rates not to exceed the highest level payable under the General Schedule pay rates under section 5332 of title 5, United States Code.

(d) SERVICES.—The Administrative Office of the United States Courts shall provide administrative services, including financial and budgeting services, for the Commission on a reimbursable basis. The Federal Judicial Center shall provide necessary research services on a reimbursable basis.

## SEC. 5. INFORMATION.

The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information and assistance the Commission determines necessary to carry out its functions under this Act. Each such department, agency, and independent instrumentality is authorized to provide such information and assistance to the extent permitted by law when requested by the Chair of the Commission.

## SEC. 6. REPORT.

No later than 2 years following the date on which its seventh member is appointed in accordance with section 2(b), the Commission shall submit its report to the President and the Congress. The Commission shall terminate 90 days after the date of the submission of its report.

## SEC. 7. CONGRESSIONAL CONSIDERATION.

No later than 60 days after the submission of the report, the Committee on the Judiciary of the Senate shall act on the report.

## SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums, not to exceed \$1,300,000, as may be necessary to carry out the purposes of this Act. Such sums as are appropriated shall remain available until expended.●

## AMBASSADOR SAMUEL G. WISE, JR.

● Mr. D'AMATO. Mr. President, I rise today to do again something I have done many times in the past—to say good things about Sam Wise. Sam passed away during the early morning on Tuesday, January 21, 1997, after a short illness. Our thoughts and our prayers go out to his wife, Mary, and the rest of his family in this most difficult time.

I first met Sam in 1981, when I came to the Senate as a freshman and joined the Commission on Security and Cooperation in Europe, which is better known as the Helsinki Commission. I have worked with him, traveled with him, relied upon him, trusted him as a staff member, a diplomat, and a friend.

When I first served as the Helsinki Commission's chairman, in 1985 and 1986, Sam was already the pillar of wisdom, the font of all Commission and CSCE knowledge, and the balance wheel of good judgment that kept things under control. At the Vienna CSCE Review Conference, which began under my chairmanship, Sam became the deputy head of the U.S. delegation, and was awarded the personal rank of Ambassador by the President. It was an honor hard-earned and richly deserved.

With the start of the 105th Congress, the Commission is suddenly and sadly lacking Sam's leadership, professionalism, and gravitas. The obituary published in the Washington Post on

Thursday, January 23, 1997, summarizes the facts of his life. But it doesn't tell the story of the arduous travel, the late nights, the haggling over bracketed text, the personal integrity and ex-marine toughness that made seasoned diplomats trust him and rely upon him and allowed him to close the deal when other people couldn't.

The measure of his loss will test us. In life, he taught and led, and gave of himself unstintingly in the service of his country, and in the service of humanity. Retired from the Department of State in 1982, after serving with the Commission on detail since 1977, the year after the Commission's founding, he had his greatest impact on U.S. policy with the Commission. He subsequently served as the Commission's staff director, and later as its director of international policy.

His skillful, steady hand helped guide the Helsinki Accords from a contentious and little-known artifact of détente to a living, growing international process and organization that has brought much good to many people, and has helped build peace, prosperity, and security for the United States, our allies, and all of the people of Europe.

His work with the Commission specifically advanced the cause of human rights to its highest level of achievement in international relations. During the cold war, prisoners of conscience, refuseniks, persons whose families had been separated, the oppressed of all kinds, had a friend and a skillful ally in Sam. Many cases were resolved—among them those of Anatoly Scharansky and Yuri Orlov—and many families were reunited. We can make a list of individual people he helped, and every one of these cases in whose resolution he had a hand adds luster to his name.

More importantly, in international meeting after international meeting, Sam did the hard work of diplomacy, out of the spotlight, helping bring together the United States, Canada, and the nations of Europe to agree, word by painfully negotiated word, on commitments that made human rights a legitimate issue in international relations, not one that an oppressive state could easily dismiss as outside interference in its internal affairs.

This is hard work, building the foundation of human civilization. That's what Sam helped do. The modern Organization for Security and Cooperation in Europe, and especially the established human rights standards it embodies and advances, are a product, in larger part than the world knows, of his dedication, skill, tireless effort, and commitment to principle. While the world at large may little note his passing, those of us who know the Helsinki process and the demanding work of establishing and protecting human rights, we know we have lost one of the people who count. His achievements in life will serve as a lasting tribute to him, and will continue to do good for his country, our friends, and humanity in general for many years to come.

Nothing I can say, nothing anyone can do, can make up for his loss. We can all, however, take some comfort in his accomplishments in life, and rededicate ourselves to the service of our country and to the advancement of those causes we shared with him.

Sam, I will miss you. God bless you and God speed you home to His care.●

**TRIBUTE TO PROCTOR JONES,  
STAFF DIRECTOR, SENATE AP-  
PROPRIATIONS COMMITTEE—  
SUBCOMMITTEE ON ENERGY AND  
WATER DEVELOPMENT**

● Mr. INOUE. Mr. President, I rise today to pay tribute to Proctor Jones on his retirement from the Senate Appropriations Committee. Proctor Jones, a most distinguished professional staff member, has served the Senate Appropriations Committee honorably since 1971.

During my many years of interaction with Mr. Jones, I have observed that his attention to detail and superb performance under pressure have earned him the respect and admiration of Senators and Senate staff alike. He distinguished himself rapidly as a professional who possessed an infectious demeanor, tremendous integrity, decisive leadership style, political savvy, and boundless energy.

Mr. Jones forged strong alliances and affiliations with a myriad of congressional offices, committees, and Federal and civilian agencies to present a cohesive approach in drafting a responsible energy and water appropriations bill each year.

Mr. Jones has had an opportunity to serve under a number of distinguished Appropriations Committee chairmen: Senators Russell, Ellender, McClellan, Magnuson, Stennis, BYRD, and most recently Hatfield. Mr. Jones served as deputy staff director of the committee under Senators McClellan and Stennis. Since 1973 he has been the Staff Director, Subcommittee on Public Works for Water and Power Development, and Atomic Energy Commission Appropriations, which was renamed the Subcommittee on Energy and Water Development in 1977.

In addition to handling the annual appropriation bill, he has been in charge of numerous continuing resolutions, supplemental appropriations bills, rescission bills, and other measures relating to the appropriations process.

I understand Mr. Jones will be working here in Washington, with former Senator J. Bennett Johnston, with whom he has been associated for over 20 years. I know his expertise, professionalism, and dedication will serve him well in his new position. I want to personally and publicly acknowledge my appreciation to Mr. Jones for his exemplary service to this great institution and to bid him a fond aloha and heartfelt mahalo.●

**COMMEMORATING THE LIFE OF  
HERB CAEN**

● Mrs. BOXER. Mr. President, I rise today to honor Herb Caen, Pulitzer Prize-winning columnist for the San Francisco Chronicle. Herb began his career in 1938. He left us this past Sunday, taking with him an irreplaceable part of the community he so dearly loved and that so dearly treasured him.

Although he is gone, he leaves a rich, woven history of a time, place, and people. His was the common thread in the life and lives of this often deliberately uncommon metropolis. He grew up in Sacramento, but made San Francisco home not only for himself but for his legions of readers—whether they lived in town or not. He captured the city's vivid colors and rhythms.

People read Herb Caen to find out what was going on. We looked for names we recognized, places we might visit, and places we might avoid. For nearly six decades, Herb was our connection to a place so dynamic, it seemed only he could divine its pulse and variety.

Every morning, Herb Caen started your day. Herb conjured humanity from a youthful heart and old typewriter daily—and we thank him.

My office in San Francisco overlooks Herb Caen Way—a beautiful promenade along the waterfront. From the widows, one can see the people of San Francisco moving from place to place, carrying on with the business of living, and carrying memories of Herb with them. Although we may be deprived of his words, how appropriate that even now Herb continues to lead us about his adopted town with which he conducted a public love affair for almost 60 years.

In awarding the Pulitzer Prize to Herb Caen, the Pulitzer Committee referred to his “continuing contribution as a voice and conscience of his city.” His voice is no longer with us, but his joy in celebrating San Francisco and its inhabitants will live on in generations of San Franciscans who read him and were touched by his life.●

**RULES OF THE COMMITTEE ON  
AGRICULTURE, NUTRITION, AND  
FORESTRY**

● Mr. LUGAR. Mr. President, on January 22, 1997, the Committee on Agriculture, Nutrition, and Forestry met and adopted the rules for the committee. I ask unanimous consent that a copy of the Committee on Agriculture, Nutrition, and Forestry rules be printed in the RECORD, as follows:

**RULES OF THE COMMITTEE ON AGRICULTURE,  
NUTRITION, AND FORESTRY**

**RULE 1—MEETINGS**

1.1 Regular Meetings.—Regular meetings shall be held on the first and third Wednesday of each month when Congress is in session.

1.2 Additional Meetings.—The Chairman, in consultation with the ranking minority member, may call such additional meetings as he deems necessary.

1.3 Notification.—In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, DC, and at least 48 hours in the case of any meeting held outside Washington, DC.

1.4 Called Meeting.—If three members of the committee have made a request in writing to the Chairman to call a meeting of the committee, and the Chairman fails to call such a meeting within 7 calendar days thereafter, including the day on which the written notice is submitted, a majority of the members may call a meeting by filing a written notice with the clerk of the committee who shall promptly notify each member of the committee in writing of the date and time of the meeting.

1.5 Adjournment of Meetings.—The Chairman of the committee or a subcommittee shall be empowered to adjourn any meeting of the committee or a subcommittee if a quorum is not present within 15 minutes of the time scheduled for such meeting.

**RULE 2—MEETINGS AND HEARINGS IN GENERAL**

2.1 Open Sessions.—Business meetings and hearings held by the committee or any subcommittee shall be open to the public except as otherwise provided for in Senate Rule XXVI, paragraph 5.

2.2 Transcripts.—A transcript shall be kept of each business meeting and hearing of the committee or any subcommittee unless a majority of the committee or the subcommittee agrees that some other form of permanent record is preferable.

2.3 Reports.—An appropriate opportunity shall be given the Minority to examine the proposed text of committee reports prior to their filing or publication. In the event there are supplemental, minority, or additional views, an appropriate opportunity shall be given the Majority to examine the proposed text prior to filing or publication.

2.4 Attendance.—(a) Meetings. Official attendance of all markups and executive sessions of the committee shall be kept by the committee clerk. Official attendance of all subcommittee markups and executive sessions shall be kept by the subcommittee clerk.

(b) Hearings. Official attendance of all hearings shall be kept, provided that, Senators are notified by the committee Chairman and ranking minority member, in the case of committee hearings, and by the subcommittee Chairman and ranking minority member, in the case of subcommittee hearings, 48 hours in advance of the hearing that attendance will be taken. Otherwise, no attendance will be taken. Attendance at all hearings is encouraged.

**RULE 3—HEARING PROCEDURES**

3.1 Notice.—Public notice shall be given of the date, place, and subject matter of any hearing to be held by the committee or any subcommittee at least 1 week in advance of such hearing unless the Chairman of the full committee or the subcommittee determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the committee or the subcommittee involved concurs. In no case shall a hearing be conducted with less than 24 hours notice.

3.2 Witness Statements.—Each witness who is to appear before the committee or any subcommittee shall file with the committee or subcommittee, at least 24 hours in advance of the hearing, a written statement of

his or her testimony and as many copies as the Chairman of the committee or subcommittee prescribes.

**3.3 Minority Witnesses.**—In any hearing conducted by the committee, or any subcommittee thereof, the minority members of the committee or subcommittee shall be entitled, upon request to the Chairman by the ranking minority member of the committee or subcommittee to call witnesses of their selection during at least 1 day of such hearing pertaining to the matter or matters heard by the committee or subcommittee.

**3.4 Swearing in of Witnesses.**—Witnesses in committee or subcommittee hearings may be required to give testimony under oath whenever the Chairman or ranking minority member of the committee or subcommittee deems such to be necessary.

**3.5 Limitation.**—Each member shall be limited to 5 minutes in the questioning of any witness until such time as all members who so desire have had an opportunity to question a witness. Questions from members shall rotate from majority to minority members in order of seniority or in order of arrival at the hearing.

#### RULE 4—NOMINATIONS

**4.1 Assignment.**—All nominations shall be considered by the full committee.

**4.2 Standards.**—In considering a nomination, the committee shall inquire into the nominee's experience, qualifications, suitability, and integrity to serve in the position to which he or she has been nominated.

**4.3 Information.**—Each nominee shall submit in response to questions prepared by the committee the following information:

(1) A detailed biographical resume which contains information relating to education, employment, and achievements;

(2) Financial information, including a financial statement which lists assets and liabilities of the nominee; and

(3) Copies of other relevant documents requested by the committee. Information received pursuant to this subsection shall be available for public inspection except as specifically designated confidential by the committee.

**4.4 Hearings.**—The committee shall conduct a public hearing during which the nominee shall be called to testify under oath on all matters relating to his or her suitability for office. No hearing shall be held until at least 48 hours after the nominee has responded to a prehearing questionnaire submitted by the committee.

**4.5 Action on Confirmation.**—A business meeting to consider a nomination shall not occur on the same day that the hearing on the nominee is held. The Chairman, with the agreement of the ranking minority member, may waive this requirement.

#### RULE 5—QUORUMS

**5.1 Testimony.**—For the purpose of receiving evidence, the swearing of witnesses, and the taking of sworn or unsworn testimony at any duly scheduled hearing, a quorum of the committee and the subcommittee thereof shall consist of one member.

**5.2 Business.**—A quorum for the transaction of committee or subcommittee business, other than for reporting a measure or recommendation to the Senate or the taking of testimony, shall consist of one-third of the members of the committee or subcommittee, including at least one member from each party.

**5.3 Reporting.**—A majority of the membership of the committee shall constitute a quorum for reporting bills, nominations, matters, or recommendations to the Senate. No measure or recommendation shall be ordered reported from the committee unless a majority of the committee members are physically present. The vote of the committee to report a measure or matter shall require the concurrence of a majority of those members who are physically present at the time the vote is taken.

#### RULE 6—VOTING

**Rollcalls.**—A roll call vote of the members shall be taken upon the request of any member.

**6.2 Proxies.**—Voting by proxy as authorized by the Senate rules for specific bills or subjects shall be allowed whenever a quorum of the committee is actually present.

**6.3 Polling.**—The committee may poll any matters of committee business, other than a vote on reporting to the Senate any measures, matters or recommendations or a vote on closing a meeting or hearing to the public, provided that every member is polled and every poll consists of the following two questions:

(1) Do you agree or disagree to poll the proposal; and

(2) Do you favor or oppose the proposal.

If any member requests, any matter to be polled shall be held for meeting rather than being polled. The chief clerk of the committee shall keep a record of all polls.

#### RULE 7—SUBCOMMITTEES

**7.1 Assignments.**—To assure the equitable assignment of members to subcommittees, no member of the committee will receive assignment to a second subcommittee until, in order of seniority, all members of the committee have chosen assignments to one subcommittee, and no member shall receive assignment to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

**7.2 Attendance.**—Any member of the committee may sit with any subcommittee during a hearing or meeting but shall not have the authority to vote on any matter before the subcommittee unless he or she is a member of such subcommittee.

**7.3 Ex Officio Members.**—The Chairman and ranking minority member shall serve as nonvoting ex officio members of the subcommittees on which they do not serve as voting members. The Chairman and ranking minority member may not be counted toward a quorum.

**7.4 Scheduling.**—No subcommittee may schedule a meeting or hearing at a time designated for a hearing or meeting of the full committee. No more than one subcommittee business meeting may be held at the same time.

**7.5 Discharge.**—Should a subcommittee fail to report back to the full committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and report that fact to the full committee for further disposition. The full committee may at any time, by majority vote of those members present, discharge a subcommittee from further consideration of a specific piece of legislation.

**7.6 Application of Committee Rules to Subcommittees.**—The proceedings of each subcommittee shall be governed by the rules of the full committee, subject to such author-

izations or limitations as the committee may from time to time prescribe.

#### RULE 8—INVESTIGATIONS, SUBPOENAS AND DEPOSITIONS

**8.1 Investigations.**—Any investigation undertaken by the committee or a subcommittee in which depositions are taken or subpoenas issued, must be authorized by a majority of the members of the committee voting for approval to conduct such investigation at a business meeting of the committee convened in accordance with Rule 1.

**8.2 Subpoenas.**—The Chairman, with the approval of the ranking minority member of the committee, is delegated the authority to subpoena the attendance of witnesses or the production of memoranda, documents, records, or any other materials at a hearing of the committee or a subcommittee or in connection with the conduct of an investigation authorized in accordance with paragraph 8.1. The Chairman may subpoena attendance or production without the approval of the ranking minority member when the Chairman has not received notification from the ranking minority member of disapproval of the subpoena within 72 hours, excluding Saturdays and Sundays, of being notified of the subpoena. If a subpoena is disapproved by the ranking minority member as provided in this paragraph the subpoena may be authorized by vote of the members of the committee. When the committee or Chairman authorizes subpoenas, subpoenas may be issued upon the signature of the Chairman or any other member of the committee designated by the Chairman.

**8.3 Notice for Taking Depositions.**—Notices for the taking of depositions, in an investigation authorized by the committee, shall be authorized and be issued by the Chairman or by a staff officer designated by him. Such notices shall specify a time and place for examination, and the name of the Senator, staff officer or officers who will take the deposition. Unless otherwise specified, the deposition shall be in private. The committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear unless the deposition notice was accompanied by a committee subpoena.

**8.4 Procedure for Taking Depositions.**—Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. The Chairman will rule, by telephone or otherwise, on any objection by a witness. The transcript of a deposition shall be filed with the committee clerk.

#### RULE 9—AMENDING THE RULES

These rules shall become effective upon publication in the Congressional RECORD. These rules may be modified, amended, or repealed by the committee, provided that all members are present or provide proxies or if a notice in writing of the proposed changes has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken. The changes shall become effective immediately upon publication of the changed rule or rules in the Congressional RECORD, or immediately upon approval of the changes if so resolved by the committee as long as any witnesses who may be affected by the change in rules are provided with them.●

## EXECUTIVE SESSION

## EXECUTIVE CALENDAR

Mr. HATCH. Madam President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the executive calendar:

Calendar Nos. 6 through 16, and all nominations placed on the Secretary's desk in the foreign service.

I further ask unanimous consent that the nominations be confirmed, motions to reconsider be laid upon the table, and that any statements relating to the nominations appear at this point in the RECORD, and the President be immediately notified of the Senate's action, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination were considered and confirmed, as follows:

## DEPARTMENT OF STATE

Madeleine May Kunin, of Vermont, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Principality of Liechtenstein.

Genta Hawkins Holmes, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, as Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Anne W. Patterson, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of El Salvador.

Arma Jane Karaer, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Vanuatu.

Dennis K. Hays, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Suriname.

John Francis Maisto, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador extraordinary and Plenipotentiary of the United States of America to the Republic of Venezuela.

John Stern Wolf, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as U.S. Coordinator for Asia Pacific Economic Cooperation (APEC).

Madeleine Korbel Albright, of the District of Columbia, to be a Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

Edward William Gnehm, Jr., of Georgia, to be a Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

Karl Frederick Inderfurth, of North Carolina, to be an Alternate Representative of the United States of America to the 51st Ses-

sion of the General Assembly of the United Nations.

Victor Marrero, of New York, to be an Alternate Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

## NOMINATIONS PLACED ON THE SECRETARY'S DESK

## IN THE FOREIGN SERVICE

Foreign Service nominations beginning Paul Albert Bisek, and ending John Weeks, which nominations were received by the Senate and appeared in the Congressional Record of January 21, 1997.

Foreign Service nominations beginning Larry Corbett, and ending Robin Lane White, which nominations were received by the Senate and appeared in the Congressional Record of January 21, 1997.

Foreign Service nomination of Marilyn McAfee, which was received by the Senate and appeared in the Congressional Record of January 21, 1997.

Foreign Service nominations beginning John C. Kornblum, and ending William L. Young, which nominations were received by the Senate and appeared in the Congressional Record of January 28, 1997.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

## ORDERS FOR FRIDAY, FEBRUARY 7, 1997

Mr. HATCH. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m. on Friday, February 7. I ask consent that on Friday, immediately following the prayer, the routine requests through the morning hour be granted. I further ask unanimous consent that the Senate then immediately resume consideration of Senate Joint Resolution 1, the constitutional amendment requiring a balanced budget. Finally, I ask unanimous consent that the time between 11 a.m. and 1 p.m. be equally divided between the chairman and ranking member, or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. HATCH. Madam President, for the information of all Senators, on Friday, the Senate will resume consideration of Senate Joint Resolution 1, the balanced budget amendment. Under a previous order, the pending amendment offered by Senator DURBIN will be voted on at 5:30 p.m. on Monday, February 10 and, therefore, there will be no rollcall votes during tomorrow's session. On Monday, Senator WELLSTONE will offer two additional amendments, and it is my hope that the Senate will be able to vote on these amendments on Tuesday, possibly in the morning. I will remind my colleagues that next week is the final week of session prior to the President's Day recess. I antici-

pate a busy week as we continue to make progress on the balanced budget amendment, as well as consider additional nominations as they become available. I thank all Members in advance for their continued cooperation.

## ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. HATCH. Madam President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:43 p.m., adjourned until Friday, February 7, 1997, at 11 a.m.

## NOMINATIONS

Executive nominations received by the Senate February 6, 1997:

## DEPARTMENT OF THE TREASURY

ELLEN SEIDMAN, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION FOR A TERM OF 5 YEARS, VICE TIMOTHY RYAN, RESIGNED.

## IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. NAVY TO THE GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

*To be rear admiral*

REAR ADM. (1H) LOUIS M. SMITH, 0000.

## IN THE AIR FORCE

THE FOLLOWING-NAMED AIR NATIONAL GUARD OF THE U.S. OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE, UNDER TITLE 10, UNITED STATES CODE, SECTIONS 1552, 12203 AND 12212:

*To be colonel*

ALBERTO B. ZAMBRANO, 0000.

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, UNITED STATES CODE, SECTION 12203:

*To be colonel*

GUY E. ACHESON, 0000  
BENNY E. ACOCK, JR., 0000  
MARK W. ANDERSON, 0000  
RICARDO APONTE, 0000  
MARY J. BALCH, 0000  
ROBERT L. BARBER, 0000  
RAYMOND M. BAUMGARDNER, JR., 0000  
RANDALL L. BEATTY, 0000  
WILLIAM H. BEHRENDT, JR., 0000  
NORMAN S. BELL, JR., 0000  
GEORGE W. BEREZA, 0000  
ALLAN T. BOMBARD, 0000  
JOHN H. BORDELON, JR., 0000  
FRANCIS P. BOTT, 0000  
CURTIS N. BREIDING, 0000  
KERRY D. BRIGGS, 0000  
BRUCE A. BROWN, 0000  
DAVID R. BROWN, 0000  
RAY L. BRUNS, 0000  
JOHN R. BUDGE, 0000  
LOUIS J. BUDGE, 0000  
GILBERT N. BURNETT, 0000  
MARK E. BUSCH, 0000  
THADDEUS R. CATES, 0000  
JAMES T. CHAFIN III, 0000  
ROBERT R. CHALEFF, 0000  
RICHARD W. CHAMPION, 0000  
BARNEY B. CHAPMAN, 0000  
BENJAMIN R. CHAPPELL, 0000  
KENT D. CLARK, 0000  
WILLIAM E. COMBER, 0000  
BARBARA L. CONNER, 0000  
WAYNE F. CONROY, 0000  
JAMES F. COOK, JR., 0000  
DAVID A. CROSS, 0000  
MERRILL N. CROSS, 0000  
CLIFTON D. CRUTCHFIELD, JR., 0000  
JAMES B. CUMMINGS, 0000  
PAUL M. CURREN, 0000  
BRIAN W. DAVIS, 0000  
BRUCE E. DAVIS, 0000  
DEAN J. DESPINOS, 0000  
RAMASUBBAREDDY DHANIREDDY, 0000  
PAUL DOTO, JR., 0000  
MICHAEL DUBONICK, 0000  
PAUL G. ECHOLS, 0000  
WILBUR T. ELLIOTT, 0000  
GRANT B. FARIS, 0000  
DIANA L. FLEEK, 0000

JAMES R. FULLER, 0000  
 LARRY E. FUNK, 0000  
 LUCIEN P. GABRICK, JR., 0000  
 ROBERT L. GAFFNEY, 0000  
 HENRY B. GARRETT, 0000  
 JAMES E. GLENN, 0000  
 JAMES J. GONZALES, 0000  
 JOHN G. GRONES, 0000  
 JANET C. GREEN, 0000  
 JANINE M. GUNTER, 0000  
 JOSEPH S. HALE, 0000  
 MICHAEL P. HALLANAN, 0000  
 KATHRYN M. HALVORSON, 0000  
 KENNEY W. HAMM, 0000  
 GREGORY HANSON, 0000  
 CHRISTOPHER N. HARLAMBAKIS, 0000  
 GAIL R. HERIOT, 0000  
 TIMOTHY R. HOFFMAN, 0000  
 CLARENCE N. HORLEN, JR., 0000  
 WILLIAM B. HUNTINGTON, 0000  
 SHUMEI HWANG, 0000  
 RICHARD L. JAMIESON, 0000  
 ROBERT LEE JARRETT, 0000  
 JOHN W. JENSON, 0000  
 LEE D. JOHNSON, 0000  
 RICHARD W. JOHNSTONE, 0000  
 LEWIS D. JOLLETT, 0000  
 MICHAEL D. JONES, 0000  
 CYNTHIA A. JONSSANDERS, 0000  
 LINDA E. JORDAN, 0000  
 CHARLES W. JOSEPH IV, 0000  
 CARL L. KAMMERAD, 0000  
 JAMES M. KEMPF, 0000  
 STEPHEN H. KEYSER, 0000  
 THOMAS L. KING, 0000  
 WILLIAM K. KING, JR., 0000  
 MICHAEL J. KONVALINKA, 0000  
 RICHARD T. KOSKELLA, 0000  
 JAMES B. KOTTKAMP, 0000  
 CHARLES R. KOYM, 0000  
 LISA A. KUHA, 0000  
 KARL LACY, JR., 0000  
 SAM M. LAMBERT, 0000  
 WESLEY G. LANGLAND, 0000  
 GLEN G. LARSON, 0000  
 JAMES E. LECH, 0000  
 GARY M. LEONARD, 0000  
 DAVID M. LETA, 0000  
 MARTHA J. LEVARDSEN, 0000  
 JUDITH A. LISA, 0000  
 KAY B. LONG, 0000  
 JOHN C. LOWE, 0000  
 CAROL A. LUNGER, 0000  
 KATHLEEN M. LUX, 0000  
 MICHAEL K. LYNCH, 0000  
 PAUL R. MANLEY, 0000  
 ANNE S. MANLY, 0000  
 ROBERT T. MARTENS, 0000  
 ROBERT C. MARTIN, 0000  
 ROBERT J. MASSEY, 0000  
 PATRICK T. MCALFEER, 0000  
 JAMES D. MCCOY, 0000  
 ALLAN A. MCCRARY, 0000  
 CLAY T. MCCUTCHAN, 0000  
 ROBERT L. MCGRATH, 0000  
 GRAYCE A. MCKINNEY, 0000  
 SAMUEL E. MC VAY, 0000  
 LINDA J. MEAD, 0000  
 ROBERT A. MERCIER, 0000  
 ROBERT E. MILLER, 0000  
 SHARON A. MIKRUT, 0000  
 HAROLD L. MITCHELL, 0000  
 JAMES H. MONBECK, 0000  
 ROBERT E. MONTROY, 0000  
 JOHN W. MORGAN, 0000  
 GREGORY H. NELSON, 0000  
 RICHARD E. NELSON III, 0000  
 GARY R. NEWSOM, 0000  
 MICHAEL E. NICHOLSON, 0000  
 DOUGLAS F. NIOLET, 0000  
 ELLIS T. NOTTINGHAM, JR., 0000  
 GRAYDON V. OLIVE III, 0000  
 RONALD T. OOTEN, 0000  
 DAVID A. ORTMAN, 0000  
 CHARLES L. OTOOLE, JR., 0000  
 MATTHEW R. OTTEN, 0000  
 ROY W. PARTRIDGE, 0000  
 MARGARET B. PAY, 0000  
 RICHARD C. PERALTA, 0000  
 LEE N. PERRY, 0000  
 PATRICIA E. PIRRELLO, 0000  
 BHASKARA M. PONNURU, 0000  
 ERRETT A. PORTER III, 0000  
 JOSEPH R. POWELL, 0000  
 ZACHARY T. PRESCOTT, JR., 0000  
 RICHARD L. PYATT, 0000

GEORGE D. REASONOVER, JR., 0000  
 DONALD L. RITENOUR, 0000  
 ANTHONY M. RIZZO, 0000  
 NEIL A. ROHAN, 0000  
 BETTY J. ROMANOFF, 0000  
 CARL H. ROSE, 0000  
 DAVID E. RUNDQUIST, 0000  
 THOMAS E. SAYERS, 0000  
 JANE E. SCHERERHART, 0000  
 HARRY D. SCHLOSSER, 0000  
 KARL B. SCHULTZ, 0000  
 DARRELL J. SCOTT, 0000  
 KEITH A. SCRAGG, 0000  
 PETER C. SHEFFER, 0000  
 LINDA M. SIMMONS, 0000  
 JAMES M. SLUDER III, 0000  
 HARVEY D. SMITH, 0000  
 STEPHEN D. SMITH, 0000  
 BEN SOUR, JR., 0000  
 WILLIAM K. SPRINGER, 0000  
 MICHAEL S. STERN, 0000  
 KENNETH C. STOEHRMANN, 0000  
 ROBERT V. STRANSKY, 0000  
 WILLIAM W. STRUTHERS III, 0000  
 KENNETH D. SUGGS, 0000  
 JOSEPH W. TRANOWSKI, 0000  
 PAUL W. TAYLOR, 0000  
 WILLIAM W. TAYLOR, JR., 0000  
 THOMAS F. TEAL, 0000  
 LINDA K. TEMPLETON, 0000  
 JUDITH A. TERRELL, 0000  
 TIMOTHY J. THOMSON, 0000  
 MARY K. TOCK, 0000  
 ROBERT L. TOMLINSON, JR., 0000  
 LLOYD Y. UTO, 0000  
 TERRANCE J. VANPARYS, 0000  
 GARY W. VAUGHN, 0000  
 CHARLES C. VAUGHTERS, JR., 0000  
 GEORGE R. VIEYRA, 0000  
 JAMES L. WALKER, 0000  
 SARAH F. WATERMAN, 0000  
 NORMAN R. WEBSTER, JR., 0000  
 ROBERT L. WHITE, 0000  
 ROBERT H. WILDE, 0000  
 THOMAS E. WILL, 0000  
 BRIAN E. WILLIAMS, 0000  
 ROBERT L. WILLIAMS, JR., 0000  
 PAUL Y. WONG, 0000  
 KATHLEEN A. WOODY, 0000  
 THOMAS B. WORDEN, 0000  
 MARYANNE WRIGHT, 0000  
 JAMES B. WYBLE, 0000  
 BRADLEY C. YOUNG, 0000  
 DAVID S. ZELENOK, 0000  
 BURTON L. ZISKIND, 0000

## CONFIRMATION

### Executive Nomination Confirmed by the Senate February 6, 1997:

#### DEPARTMENT OF TRANSPORTATION

Rodney E. Slater, of Arkansas, to be Secretary of Transportation.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

#### DEPARTMENT OF STATE

Madeleine May Kunin, of Vermont, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Principality of Liechtenstein.

Genta Hawkins Holmes, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, as Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Anne W. Patterson, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Ex-

traordinary and Plenipotentiary of the United States of America to the Republic of El Salvador.

Arma Jane Karaer, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Solomon Islands, and as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Vanuatu.

Dennis K. Hays, of Florida, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Suriname.

John Francis Maisto, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Venezuela.

John Stern Wolf, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as U.S. Coordinator for Asia Pacific Economic Cooperation (APEC).

Madeleine Korbel Albright, of the District of Columbia, to be a Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

Edward William Gneham, Jr., of Georgia, to be a Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

Karl Frederick Inderfurth, of North Carolina, to be an Alternate Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

Victor Marrero, of New York, to be an Alternate Representative of the United States of America to the 51st Session of the General Assembly of the United Nations.

#### FOREIGN SERVICE

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Foreign Service nomination of Marilyn McAfee, which was received by the Senate and appeared in the Congressional Record on January 21, 1997.

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